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Annual Report

OF THE

Indian Merchants' Chamber

FOR THE YEAR

1931

LIBRARY OF THE ROYAL ASIATIC SOCIETY

Presented to the Annual General Meeting of the Chamber held on 30th January 1932.

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Published by

J. K. Mehta, M. A., Secretary, Indian Merchants' Chamber, "The Recluse," 31, Murzban Road, Fort, Bombay.

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Printed by JAL B. DUBASH, MANAGER, "THE COMMERCIAL PRESS," FORT BOMBAY.

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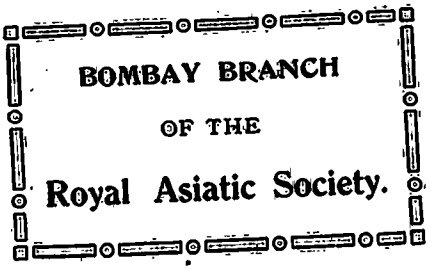

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List of Members

of

The Indian Merchants' Chamber.

1932

LIST OF MEMBERS
of
THE INDIAN MERCHANTS' CHAMBER

No.	Representative.	Member.	Address.
1	Hon. Sir Dinshaw Edulji Wacha.	Messrs. Morarjee Goculdas & Co.	Sudama House, Wittet Road, Ballard Estate, Fort, Bom.
2	Mr. Chunilal Devkaran Nanji	„ Chugondas & Co.	17, Elphinstone Circle, Fort, Bom.
3	Sir Munmohundas Ramji	Sir Munmohundas Ramji	Shushtri Building, Circle, Fort, Bom.
4	Mr. Chatrabhuj Morarji	Messrs. Morarji Velji & Sons	Mulji Jetha Market, Govind Chowk, Bom.
5	„ Jamnadas Devidas	„ Jethabhai Govindji & Co.	Mulji Jetha Market, Sir Vithaldas Galli, Bom.
6	„ Jethabhai Kalyanji	„ Valji Shamji & Co.	Mulji Jetha Market, Chawk, Bom.
7	„ Mathuradas Valji	„ Valji Sunderji & Co.	Mulji Jetha Market, Ghadial Galli, Bom.
8	„ Karsandas Thackersey	„ Damodar Haridas & Co.	Mulji Jetha Market, Chikhal Galli, Bom
9	„ Devidas Madhowji Thackersey	„ Madhowji Thackersey & Co.	Raja Bahadur Motilal Mansion, Bruce Street, Bom.
10	„ Ramdas Madhowji	„ Ramdas Madhowji & Co.	Mulji Jetha Market, New Narayan Chowk, Bom.
11	Mr. Vithaldas Damodar Govindji.	Messrs. Damodar Govindji Sons & Co.	Govind Building, Princess St., Bom.
12	„ Morarji Hemraj Kanji	„ Hemraj Kanji & Co.	Mulji Jetha Market, New Govind Chowk. Bom.
13	„ Hiralal Amritlal	„ Hiralal Amritlal & Co.	Mulji Jetha Market, Dwarkesh Galli, Bom.
14	„ Haridas Purshottam Govindji.	„ Purshottam Govindji & Co.	Mulji Jetha Market, Chowk, Bom.
15	„ Harjivan Valji	„ Harjivan Valji & Co.	12, Champa Galli, Shaikh Memon St., Bom.
16	„ Chhotalal Kanji	„ Chaturbhuj Jivandas & Co	Mulji Jetha Market, Navi Gomukh Galli, Bom.
17	„ Bhugwandas Vussonji	„ Kanji Karsan & Co.	28-30, Peddar Road, Bom.
18	„ Purshottamdas Lalji	„ Lalji Tricumji & Co.	Mulji Jetha Market, Ghadial Galli, Bom.
19	„ Lalji Naranji	„ Lalji Naranji & Co.	Ewart House, Tamarind Lane, Fort, Bom.
20	„ Gordhandas Mathradas	Mr. Gordhandas Mathradas	Mulji Jetha Market, Ghadial Galli. Bom.
21	„ Vallabhdas Vandravan	Messrs. Vishram Dhunji & Co.	Mulji Jetha Market, Chowk, Bom.
22	„ Vaman Shridhar Apte	„ Vaman Shridhar Apte & Co.	Mulji Jetha Market, Govind Chowk, Bom.
23	Hon. Sir Phiroze C. Sethna	Hon. Sir Phiroze C. Sethna	Canada Building, Hornby Road, Fort, Bom.
24	Mr. Madhowji Damodar Thackersey.	Messrs. Thackersey Moolji & Co.	16, Apollo Street, Fort, Bom.

No.	Representative.	Member.	Address.
25	Mr. Chaturbhuj Gordhandas Sunderdas.	Messrs. Mulji Jetha & Co.	Ewart House, Tamarind Lane, Fort, Bom
26	„ Manmohandas Laxmidas	„ Motilal Keshavji & Co.	Readymoney Mansion, Churchgate St., Fort, Bom.
27	„ Gordhandas Govindji	„ Morarji Govindji & Co.	Mulji Jetha Market, Chikhal Galli, Bom.
28	„ Lalji Dayal	„ Hirji Dayal & Co.	Girgaum Back Road, Bom.
29	„ Mulji Goculdas	„ Dharamsey Rattansey	Laxmidas Khimji Market, Shaikh Memon Street, Bom.
30	„ Ramdas Ranchhoddas	„ Ranchhoddas Thackersey & Co.	Mulji Jetha Market, New Govind Chowk, Bom.
31	„ Jamnadas Harakhji	„ Jamnadas Harakhji & Co.	82, Dady Seth Agiari Lane, Bom.
32	„ Jethmal Narandas	„ Jethmal Narandas & Co.	Mulji Jetha Market, Sancha Galli, Bom
33	„ Mathuradas Haribhai	„ Mathuradas Haribhai & Co.	Mulji Jetha Market, Dharamraj Galli, Bom.
34	„ Laxmidas Keshavji	„ Haridas Keshavji & Co.	Mulji Jetha Market, Krishnaraj Galli, Bom.
35	„ Manilal Revashanker	„ Revashanker Jagjivan & Co.	Khara Kuva, Shaikh Memon Street, Bom.
36	„ Sheriff Devji Kanji	„ Devji Kanji & Co.	Chakla Street. Mandvi, Bom.
37	Sir Purshotamdas Thakurdas	Messrs. Narandas Rajaram & Co.	Navsari Chambers, Outram Road, Fort Bom.
38	Mr. Govindji Ratansi Mulji	Mr. Govindji Ratansi Mulji	Feltham House, Ballard Estate, Fort, Bom.
39	„ Purshottamdas Jivandas	Messrs. Ramdas Khimji & Co.	Albert Building, Hornby Road, Fort, Bom
40	„ Dhanjibhoy B. Petit	„ Dhanjibhoy B. Petit & Co	Elphinstone Circle, Fort, Bom.
41	„ Govindlal Shivlal	„ Raja Bahadur Shivlal Motilal.	Hari Building, 58-64, Custom House Road, Fort, Bom.
42	„ S. R. Bomanji	Mr. S. R. Bomanji	Forbes Street, Fort, Bom.
43	„ Kakubhai Jivandas	Messrs. Khimji Vishram & Co.	Dana Bunder, Broach Street, Bom.
44	„ Palanji Dadabhoy Chowna.	„ Drewet Chowna & Co.	46, Church Gate St., Fort, Bom.
45	„ N. D. Dadysheth	Mr. N. D. Dadysheth	17, Waudby Road, Fort, Bom.
46	„ Kaikobad Cowasji Dinshaw.	Messrs. Cowasji Dinshaw & Bros.	121, Medows Street, Fort, Bom.
47	„ Fidahusein Samsuddin	„ Shaikh Mahomed Shaikh Dawood & Co.	Crawford Market, Bhusari Street, Bom.
48	„ Vithaldas Kanji	Mr. Mathuradas Vissanji	9, Wallace Street, Fort, Bom.
49	„ Govindram Harsomal	Messrs. Tarachand Ghanshamdass	Jhaveri Bazar, Shaikh Memon Street Bom.
50	„ Karsandas Mulji Jetha	Mr. Karsandas Mulji Jetha	346, Hornby Road, Fort, Bom.

No.	Representative.	Member.	Address.
51	Mr. Velji Lukhamsi Nappoo	The Grain Merchants' Association.	262, Musjid Bunder Road, Bom.
52	„ Anandrao Krishnarao Kothare.	Messrs. K. P. Kothare & Co.	Apollo Street, Fort, Bom.
53	„ Pestonji Edulji Dhala	The Indian Mercantile Insurance Co., Ltd.	11, Bank Street, Fort, Bom.
54	„ Sultanbhoy Hajibhoy	Messrs. Hajibhoy Lalji & Co.	Akbar Building, Hornby Road, Fort, Bom.
55	Sir Fazulbhoy Currimbhoy Ebrahim.	Sir Fazulbhoy Currimbhoy Ebrahim.	12-14, Outram Road, Fort, Bom.
56	Mr. Narandas Chatrabhuj	Messrs. Gordhandas Khetsey	Manordas Street, 40, Holi Chakla, Fort, Bom.
57	Sir Shapurji B. Billimoria	„ S. B. Billimoria & Co.	113, Esplanade Road, Fort, Bom.
58	Mr. R. D. Lam	„ Tata Sons, Ltd.	Bombay House, Bruce St., Fort, Bom.
59	„ Dadabhai J. Registrar	The Berar Mfg. Co., Ltd.	Lloyd Building, Ballard Estate, Fort, Bom.
60	„ Hirjibhai Shapurji Patuck	Messrs. H. S. Patuck & Co.	Ismailji Building, Bank Street, Fort, Bom.
61	Sir Kikabhai Premchand	„ Premchand Roychand & Sons.	Apollo Street, Fort, Bom.
62	Mr. Ratanchand Navalchand Jhaveri	„ Manekchand Panachand & Co.	Jhaveri Bazar, Shaikh Memon Street, Bom.
63	Dr. M. Venkatrao	Messrs. N. Powell & Co.	Lamington Road, Bom.
64	Mr. Nahalchund Laloochund	Mr. Nahalchund Laloochund	Tamba Kanta, Pydhonie, Bom.
65	„ Vallabhdas Dayal	„ Vallabhdas Dayal	Vadgadi, Mandvi, Bom.
66	„ Bharata K. S. Aiyar	Messrs. K. S. Aiyar & Co.	65, Apollo Street, Fort, Bom.
67	„ Hirachand Vanechand Desai	„ Hirachand Vanechand Desai & Co.	Kalbadevi Road, Bom.
68	Prof. S. R. Davar	„ Davar's College of Commerce	80-82, Esplanade Road, Fort, Bom.
69	Mr. Nassurwanji K. A. Chinoy	Mr. Nassurwanji K. A. Chinoy.	Chinoy Mansion, Colaba, Bom.
70	„ Shivji Chapsey	Messrs. Vussanji Velji & Co.	Shaikh Memon Street, Bom.
71	„ Phirozeshaw N. Mehta	„ P. N. Mehta & Co.	Cook's Building, Hornby Road, Fort, Bom.
72	„ Nandlal Kilachand	„ Kilachand Devchand & Co, Ltd.	Allahabad Bank Building, Apollo Street Fort, Bom.
73	„ Sorabji N. Pochkhanavala	The Central Bank of India, Ltd.	Esplanade Road, Fort, Bom.
74	„ Morarji Kanji	Mr Morarji Kanji	Mulji Jetha Market, Sancha Galli, Bom.
75	„ Mangaldas Motilal	The Bombay Shroff Association.	Shroff Bazar, Shaikh Memon Street, Bom.
76	„ Jamnadas Mulchand Parekh.	Messrs. Goculbhai Dolatram & Co.	Kalbadevi Road, Bom.
77	„ Lavji Meghji	„ Curumsey Damji & Sons.	Girgaum Back Road, Bom.

No.	Representative.	Member.	Address.
78	Mr. Liladhar Javerchand	Messrs. Mulchand Vussanji & Co.	90, Bazar Gate Street, Fort, Bom.
79	,, Dwarkadas Tribhovandas	Mr. Dwarkadas Tribhovandas	Singhani Building, Marwari Bazar, Bom.
80	,, R. D. Patel	Messrs. Patel Bros.	Patel House, Churchgate St., Fort, Bom.
81	,, Hormasji D. Jassoobhoy	,, Chandabhoy & Jassoobhoy.	43, Apollo Street, Fort, Bom.
82	,, Ratansi Dharamsi Morarj	Mr. Ratansi Dharamsi Morarji	Sudama House, Wittet Road, Ballard Estate, Fort, Bom.
83	,, Fakirmahomed C. L. Sajun	Messrs. C. L. Sajun & Co.	Carnac Bunder, Bom.
84	,, Rowjee Ghellabhoy	,, Hirji Ghellabhoy & Co.	Bhat Bazar, Mandvi, Bom.
85	,, Vithaldas Liladhar Bhimji	Mr. Vithaldas Liladhar Bhimji	Princess Street, Bom.
86	,, M. V. Subiah	The Commission and General Agency.	Younoos Building, Nagarthpet, Bangalore City.
87	,, Dwarkadas Kalyandas	Mr. Dwarkadas Kalyandas.	Ridge Road, Malabar Hill, Bom.
88	,, Lakhmidas Rowjee Tairsee.	Messrs. Lakhmidas & Co.	29-31-33, Bohra Bazar Street, Holi Chakla, Bom.
89	,, Kirtilal Manilal	,, Surajmal Lallubhai & Co.	Kalbadevi Road, Bom.
90	Mr. Manharlal Vrajdas Merchant.	Mr. Manharlal Vrajdas Merchant	Dady House, Churchgate Street, Fort Bom.
91	,, Nagindas A. Adatia	Messrs. Nagindas & Maneklal	Ravelin Street, Hornby Road, Fort, Bom.
92	,, Mavji Govindji	,, Mavji Govindji & Co.	Apollo Street, Fort, Bom.
93	,, Sankalchand G. Shah	The Bombay Yarn, Copper and Brass Native Merchants' Association.	Tamba Kanta, Pydhonie, Bom.
94	,, Girjashanker B. Trivedi	Messrs. Trivedi & Co.	Navsari Chambers, Outram Road, Fort, Bom.
95	,, Amar Nath Chopra	The Punjab National Bank, Ltd.	Amir Building, Elphinstone Circle, Bom.
96	,, Ramchandra M. Bhatt	Mr. Ramchandra M. Bhatt.	36-37, Sandhurst Road, Girgaum, Bom.
97	,, Vithaldas Purshottam	Messrs. Pitamber & Co.	Sudama House, Wittet Road, Ballard Estate, Fort, Bom.
98	,, Bhailal Dajibhai Amin	The Alembic Chemical Works Co., Ltd.	Baroda Camp.
99	,, A. D. Shroff	Messrs. Batlivala & Karani	Dalal Street, Fort, Bom.
100	,, Maneklal Manilal Ranchhoddas Pari.	Mr. Maneklal Manilal Ranchhoddas Pari.	Maneck Chawk, Ahmedabad.
101	,, Phiroze J. Billimoria	The Indian Cement Co., Ltd.	Bombay House, Bruce Street, Fort, Bom
102	,, M. A. J. Noble	Mr. M. A. J. Noble	26, Parsi Bazar Street, Fort, Bom
103	,, Jayvant Shantaram Divadkar	Messrs. Narayan Dhondoba & Co.	Lloyd Building, Ballard Estate, Fort, Bom.

No.	Representative.	Member.	Address.
104	Mr. Shoorji Vallabhdas ..	Messrs. Shoorji Vallabhdas & Co. .	220-230, Sheikh Memon Street, Bom.
105	„ Lakmichand M. Dosi ..	„ Lakhmichand Padamshi & Co.	439, Kalbadevi Road, Bom.
106	„ Rameshwardas Birla ..	„ Shivnarayan Baldevdas & Co.	Patel Building, Marwari Bazar, Bom.
107	„ Narsidas Jekisandas Gangadas.	Mr. Narsidas Jekisandas Gangadas.	Shahibag, Ahmedabad.
108	„ Jiwandas Doongursee .	Messrs. Doongursee & Sons. ..	59, Forbes Street, Bom.
109	„ Ramnivas Ramnarain ..	„ Hurnundrai Ramnarain ..	395, Kalbadevi Road, Bom.
110	„ Hormasji Bapuji Gazdar	Mr. Hormasji Bapuji Gazdar ..	Beach House, Nepean Sea Road, Malabar Hill, Bom.
111	„ T. M. Rangachari .	„ T. M. Rangachari ..	Poonamallee High Road, Vepery Madras.
112	„ Walchand Hirachand ..	„ Walchand Hirachand	Phoenix Building, Ballard Estate, Bom.
113	Ambalal Sarabhai ..	„ Ambalal Sarabhai ..	Retreat, Shahibag, Ahmedabad.
114	„ Mansukhlal Atmaram Master.	„ Mansukhlal Atmaram Master ..	Sudama House, Wittet Road, Ballard Estate, Bom.
115	Mr. Damodar Govindji Madhow ji.	Messrs. Govindji Madhowji & Co.	16, Apollo Street, Bom.
116	„ Bhagwandas Gordhandas	Mr. Bhagwandas Gordhandas ..	9, Wallace Street, Fort, Bom.
117	„ Mathuradas Canji Matani	Messrs. Kanji Dwarkadaswala ..	53, Mint Road, Fort, Bom.
118	„ Madhavlal Makanji ..	„ Madhavlal & Co., Ltd. ..	Alice Building, Hornby Road, Bom.
119	„ Nemchand Popatlal Vohora	„ C. K. Vohora & Co. ..	Saker Bazar Cross Lane, Railway Pura, Ahmedabad.
120	„ Nandlal Madhavdas ..	„ Amersey Damodar .	106, Bhuleswar Road, Bom.
121	„ Kekhushru Manekji Cooper	„ K. & J. Cooper ..	Katgara House, 15, Nepean Sea Road Bom.
122	„ Narandas Keshoordas ..	„ Lalji Godhoo & Co. ..	Samuel Street, Vadgadi, Bom.
123	„ Manilal Balabhai ..	„ Manilal Balabhai & Co. ..	36, Humam Street, Fort, Bom.
124	„ Shantidas Ashkaran ..	Mr. Shantidas Ashkaran ..	"Shanti Nivas", Nepean Sea Road, Bom.
125	„ Vyas Laxmishanker Narbadashanker.	„ Vyas Laxmishanker Narbadashanker	C/o Chandrodaya Mill, Viramgam.
126	„ Ishwardas Lukhmidas ..	„ Ishwardas Lukhmidas .	"Garden View" Hughes Road, Bom.
127	„ N. M. Muzumdar ..	„ N. M. Muzumdar .	C/o Tata Sons, Ltd., Bruce Street, Fort, Bom.
128	„ Ishwarlal Ganpatram Gajjar.	„ Ishwarlal Ganpatram Gajjar ..	Parekh Building, New Queen's Road. Bom.

No.	Representative.	Member.	Address.
129	Mr. Vassanji Naranji Bhimji	Mr. Vassanji Naranji Bhimji	Vadgadi, Mandvi, Bom.
130	,, Rahimtulla M. Chinoy	Messrs. F. M. Chinoy & Co.	Band Stand, Chowpatty, Bom.
131	,, Edulji S. Cooper	,, Pallonji Edulji & Sons	New Charni Road, Girgaon, Bom.
132	,, Velji Lukhamsi Nappoo	,, Nappoo Nensee & Co.	188, Argyle Road, Dana Bunder, Bom
133	,, Alimohamad R. Macklai	Mr. Alimohamad R. Macklai	90, Esplanade Road, Fort, Bom.
134	,, J. H. Bhabha	The Tata Hydro Electric Power Supply Co., Ld.	Bombay House, Bruce Street, Fort, Bom
135	,, Dwarkadas Jekisondas	Mr. Dwarkadas Jekisondas	Dwarkadas Mansion, Sandhurst Road, Bom.
136	,, Hansraj Haribhai	Messrs. Hansraj & Co.	20, Elphinstone Circle, Fort, Bom.
137	,, Vallabhdas Runchordas	,, Vallabhdas Runchordas & Co.	Mahim, Bom. 16.
138	,, Kapilram H. Vakil	Mr. Kapilram H. Vakil	Navsari Building, Hornby Road, Bom.
139	,, Baldevdas Dalshukhram Dave.	Messrs. Somnath Rupjidas Patel	35, 3rd Bhoiwada, Bhuleshwar, P. O. Box 2080, Bom.
140	,, Dawood Haji Nassur	,, Nassur Haji Mavji & Co.	Khoja Mohalla, Bom.
141	Mr. Amratlal Amerchand	Messrs. Amerchand Madhowji & Co.	36, Kazi Syed Street, Mandvi, Bom.
142	,, Framji Dorabji Panday	,, Pestonji & Co.	York Building, Hornby Road, Bom.
143	,, Moiz Shaikadam Vasi	,, Shaikadam Husseinalli Vasi & Co.	Vasi Building 165, Nagdevi Street, Bom
144	,, Laxmidas G. Tejpal	Mr. Laxmidas G. Tejpal	Vile-Parle (B. B. & C. I. Rly.), Bom.
145	,, Morarji Premji Goculdas	Messrs. M. P. Goculdas & Co.	Yusuf Building, Churchgate St., Fort, Bom.
146	,, Behram N. Karanjia	Mr. Behram N. Karanjia	238-40, Musjid Bunder Road, Bom.
147	,, Madhavdas Goculdas Pasta	,, Madhavdas Goculdas Pasta	11, Bastion Road, Fort, Bom.
148	,, Jamnadas Morarji	Messrs. Jamnadas Morarji & Sons	Share Bazar, 8-10, Dalal St., Fort, Bom
149	,, Sarabhai Pratapprai	Mr. Sarabhai Pratapprai	"Madhuli", Grant Road, Bom.
150	Sir Dinshaw Manekji Petit Bart.	Sir Dinshaw Manekji Petit, Bart.	359, Hornby Road, Bom.
151	Mr. Panachand Manchand	Mr. Panachand Manchand	Sarasvati Nivas, Ville-Parle.
152	,, Balkishandas Ramkishandas.	,, Balkishandas Ramkishandas	207-209, Kalbadevi Road, Bom.
153	,, K. R. P. Shroff	,, K. R. P. Shroff	80, Esplanade Road, Fort, Bom.
154	,, Pesi R. P. Shroff	,, Pesi R. P. Shroff	80, Esplanade Road, Fort, Bom.

No.	Representative.	Member.	Address.
155	Mr. Gordhandas Parshottamdas.	Messrs. Narandas Manordas & Co.	Shaikh Memon Street, Bom.
156	„ Y. G. Pandit	Mr. Y. G. Pandit	Whiteaway Laidlaw Building, Hornby Road, Bom.
157	„ R. J. Duff	The New India Assurance Co., Ltd.	Central Bank Building, Esplanade Road, Bom.
158	„ Kanji Cursondas	Mr. Kanji Cursondas	183-185, Hornby Road, Bom.
159	„ Dulerai Vanechand Desai	Messrs. Dulerai & Co.	22, Apollo Street, Fort, Bom.
160	„ Jos Carvalho	The Bombay Swadeshi Co-operative Stores, Co., Ltd.	Cruikshank Road, Fort, Bom.
161	„ Maganbhai P. Amin	Messrs. Maganbhai Amin & Co.	32, Apollo Street, Fort, Bom.
162	„ Dhirajlal Maganlal	„ Purshotam Pranvallubh & Co.	Dalal St., Share Bazar, Bom.
163	„ Aboobaker Abdulrehman	„ Aboobaker Abdulrehman & Co.	14, Custom House Road, Fort, Bom.
164	„ Tulsidas Karsandas	Mr. Parmanand Karsandas Hargovan.	Mulji Jetha Market, Chowk, Bom.
165	„ S. D. Shethia	Messrs. Shivji Dharamsey Shethia & Co.	Sorab House, Hornby Road, Fort, Bom
166	„ Tulsidas Ramdas	Mr. Tulsidas Ramdas	100, Walkeshwar Road, Bom.
167	Mr. Pragji Dayal Hariani	Mr. Pragji Dayal Hariani	112, D'Souza Street, Mandvi, Bom,
168	„ Jivanlal Chimanlal Setalvad.	Messrs. J. C. Setalvad & Co.	Jehangir Wadia Building, Esplanade Road, Bom.
169	„ Narandas Bhavanji	„ Narandas Bhavanji & Co.	97, Vachhat House, Bhandari St., Bom.
170	„ Rattansey Hirji	„ Hirji Govindji & Co.	45, Baroda St., Dana Bunder, Bom.
171	„ Chimanlal Mohanlal	„ Chimanlal Mohanlal & Co.	Patel Building, Javeri Bazar, Bom.
172	„ Balabhai Jamnadas	The Gujarat Oil Mill & Mfg. Co., Ltd.	Asarva, Post Railwaypura, Ahmedabad.
173	„ Ratan C. Gazdar	Messrs. Bomanji C. Gazdar & Co.	16, Apollo Street, Fort, Bom.
174	„ Maneklal Ujamshi	Mr. Maneklal Ujamshi	70, Apollo Street, Fort, Bom.
175	„ Hooseinbhoy Hassum	„ Hooseinbhoy Hassum	168, Samuel Street, Bom.
176	„ Kanchanlal Varajdas	Messrs. M. Kanji & Co.	Cawasji Patel Street, Fort, Bom.
177	„ Shatikumar N. Morarjee	The Sholapoor Spg. & Wg. Co., Ltd	Sudama House, Wittet Road, Ballard Estate, Bom.
178	„ Laxmidas G. Dossa	Messrs. Goculdas Dossa & Co.	22, Apollo Street, Fort, Bom.
179	„ Darasha Hormasji	„ Morarji & Hormasji	Shaikh Memon Street, 19, Campa Galli, Bom.
180	„ Dorab Bomanji Kapadia	Mr. Dorab Bomanji Kapadia	Engineer Building, Princess Street, Bom

No.	Representative.	Member.	Address.
181	Mr. Motiram Waghji	Mr. Motiram Waghji	Bhat Bazar, Mandvi, Bom.
182	„ Gustadji Dossabhoy Billimoria.	„ Gustadji Dossabhoy Billimoria	69, Walkeshwar Road, Bom.
183	„ Chunilal Baldevdas	„ Chunilal Baldevdas.	C/o Gordhandas Mulchand, Kolsa Mohalla, Bom.
184	„ Ratanchand Hirachand	The Tata Construction Co., Ltd. Ltd.	Phoenix Building, Ballard Estate, Bom.
185	„ H. H. Belgaumwalla	Mr. H. H. Belgaumwalla	Hubli.
186	„ Nowroji H. Belgaumwalla	„ Nowroji H. Belgaumwalla	C/o The Bombay Samachar Office, Custom House Road, Bom.
187	Prof. Khushal T. Shah	Prof. Khushal T. Shah	Banker's Bungalow, 45, Chaupatty Road, Bom.
188	Mr. Nensey Tejpal	Mr. Nensey Tejpal	Nana Colaba, Thomas Street, Bom.
189	„ Behram N. Karanjia	The Japan & Shanghai Silk Merchants' Association	Jackeria-Musjid, Bom.
190	„ S. J. Pandya	The Scindia Steam Navigation Co., Ltd.	Sudama House, Wittet Road, Ballard Estate, Fort, Bom.
191	„ Ranchhoddas Tribhovandas Popavala.	Mr. Ranchhoddas Tribhovandas Popavala.	Soni Falia, Surat.
192	Mr. Hooseinbhoy A. Lalljee	Messrs. Abdullabhoy Lalljee & Co.	Samuel Street, Mandvi, Bom.
193	„ Nowroji Ardeshir Nariel wala.	„ A. S. Nariel wala & Sons	Cowasji Patel Street, Fort, Bom.
194	„ Balvant Krishna Rao Wagle	Mr. Balvant Krishna Rao Wagle	Land Mansions, Queen's Road, Bom.
195	Sir M. Visvesvaraya	Sir M. Visvesvaraya	Uplands, High Ground Bangalore.
196	Mr. M. G. Mehta	Messrs. Bakubhai Ambalal & Co.	Mahomed Building, 27, Bastion Road, Fort, Bom.
197	„ P. N. Vevaina	„ Nanavati Vevaina & Co.	Sudama House, Wittet Road, Ballard Estate, Bom.
198	„ B. J. Modi.	The Jupiter General Insurance Co. Ltd.	Ewart House Tamarind Lane, Fort, Bom.
199	„ B. M. Bhargava	The Union Bank of India Ltd.	Apollo Street, Fort, Bom.
200	„ Gulabchand Naginchand	The Pearl Merchants and Jewellers Association	25-39, Mumbadevi Road, Bom.
201	„ R. N. Bapasola	Mr. R. N. Bapasola	Forbes Street, Fort, Bom.
202	„ Manmohandas Madhavdas Amersey	Messrs. Amersey & Sons.	Sudama House, Wittet Road, Ballard Estate, Bom.
203	„ Lalji Rowji Khant	„ Shoorji Vallabhdas & Co.	Colcu Samuel Street, Bom.
204	„ Ratansey Karsandas	„ Karsandas Ranchhoddas	66, Bazar Gate Street, Fort, Bom.
205	„ Jehangir P. Katgara	„ Jeena & Co.	Gresham Building, Esplanade Road Fort, Bom.
206	„ Dhruva Sumanas	Mr. Dhruva Sumanas	Murzbanabad Road, Andheri.

No.	Representative.	Member.	Address.
207	Mr. Nensey Narandas Topan	Messrs. Narandas Topan	Tamba Kanta, Pydhonie, Bom.
208	,, Keshavlal Lallubhai	Mr. Keshavlal Lallubhai	Khokha Bazar, Bhajipalla Lane, Bom.
209	,, Morarji Mulraj Khatau	The Khatau Makanji Spg. & Wg. Co. Ltd.	Laxmi Building, 42, Ballard Road, Bom.
210	,, Raghunath Chintaman Sohoni.	Mr. Raghunath Chintaman Sohoni	996, Sadashiv Peth, Poona City.
211	,, Cursetji Limji	The Bombay Cycle and Motor Agency, Ltd.	16, New Queen's Road, Bom.
212	,, Nassurvanji S. Guzdar	Messrs. Nassurvanji S. Guzdar & Co.	Canada Building, Home Street, Fort, Bom.
213	,, Gordhandas Goculdas Morarji.	Mr. Gordhandas Goculdas Morarji	"Mor Baug" Nayagaum Road, Dadar, Bom.
214	,, Devidas Shamjee	,, Devidas Shamjee	Mulji Jetha Market Chowk, Bom.
215	,, Girdhardas Liladhar	Messrs. Girdhardas Liladhar & Co.	16, Apollo Street Fort, Bom.
216	,, B. Das	Mr. B. Das.	P. O. Chandni Chowk, Cuttack.
217	,, Maneklal Chunilal	Messrs. Chunilal Harilal & Co.	4, Green Street, Fort, Bom.
218	,, Chaturbhuj Khiasee	,, Chaturbhuj Khiasee & Co.	81-83, Chinch Bunder Road, Bom.
219	Mr. Vishvanath P. Vaidya	Mr. Vishvanath P. Vaidya	Kirti Building, 37-39, Forbes St. Fort Bom.
220	,, Behramji N. Gamadia	,, Behramji N. Gamadia	18, Homji Street, Fort, Bom.
221	,, H. M. Chowna	Messrs. H. M. Chowna & Co.	73, Apollo Street, Fort, Bom.
222	S. D. Saklatvala	Messrs. Tata Mills Ltd.	Bombay House, Bruce Street, Fort, Bom.
223	,, N. B. Saklatvala	The Svadeshi Mills Co., Ltd.	Bombay House, Bruce Street, Fort, Bom.
224	,, Mafatlal Gagalbhai	The Standard Mills Co., Ltd.	29, Rustom Building, Churchgate St., Bom.
225	,, Chamanlal Girdhardas Parekh.	The Industrial Bank of Western India, Ltd.	Mirzapur Road, Ahmedabad.
226	,, Dawood Habib	Messrs. Khoja Mithabhai Nathoo	Hanuman Building, Tamba Kanta, Bom.
227	,, H. P. Mody	Mr. H. P. Mody	Cumballa Hill, Bom
228	,, Ebrahim Gulamhussein Currimbhoy.	,, Ebrahim Gulamhussein Currimbhoy (of Messrs Currimbhoy Ebrahim & Sons.)	12-14, Outram Road, Fort, Bom.
229	,, Shantikumar Narottam Morarjee.	,, Shantikumar Narottam Morarjee	Juhu, via Santa Cruz.
230	,, C. B. Nanavati	The Eastern Bunkerers Ltd.	Sudama House, Wittet Road, Ballard Estate, Fort, Bom.
231	,, R. M. Marshall	Messrs. R. M. Marshall & Co.	Edward Building, Lamington Road, Bom.

No.	Representative.	Member.	Address.
232	Mr. Shiavax C. Cambata	Messrs. Shiavax C. Cambata & Co., Ltd.	Cook's Buildnig, Hornby Road, Fort, Bom.
233	Sir Currimbhoy Ebrahim	Sir Currimbhoy Ebrahim Bart.,	12-14 Outram Road, Fort, Bom.
234	Mr. Curmali Ibrahim Bart.	Messrs. Curmali Ibrahim & Co.	165,167, Khoja Mohalla, Mandvi, Bom.
235	„ Phirojshaw D. Patel	Mr. Phirojshaw D. Patel	Mulji Jetha Market, Govind Chowk, Bom.
236	„ Kallianji Curumsey Damji	Messrs. L. K. Vussonji & Co.	Queen's Mansion, Bastion Road, Fort, Bom.
237	„ Chunilal B. Mehta	The Bombay Bullion Exchange, Ltd	Shroff Bazar, Bom.
238	Sirdar Suleman Cassum Haji Mitha.	Sirdar Suleman Cassum Haji Mitha	27, Kolsa Mohalla, Pyphonie, Bom.
239	Mr. Mafatlal Gagalbhai	Mr. Mafatlal Gagalbhai	Rustom Building, Churchgate St., Bom
240	„ Jugatram S. Vaidya	The Zandu Pharmaceutical Work Ltd.	Elphinstone Road, Bom.
241	„ Framroze Pestonji	Messrs. P. Framroze & Co.	33, Murzban Road, Fort, Bom
242	„ M. C. Ghia	„ M. C. Ghia & Co.	24, Elphinstone Circle, Fort, Bom.
243	„ Burjor S. J. Aga	„ Shapoorji N. Chandalbhoy & Co.	'Mo alibhai Building," 43, Apollo St., Fort, Bom.
244	Hon. Raja Sir S. R. M. Annamalai Chetty.	Hon. Raja Sir S. R. M. Annamalai Chetty.	"Natana Vilas", 38, P. C. Road, Vepery, Madras.
245	Mr. Nagindas G. Shah	Messrs. Saukalchand G. Shah & Co	Hanuman Building, Tamba Kanta, Bom.
246	„ Meyer Nissim	Mr. Meyer Nissim	Menkwa Building, Outram Road. Fort, Bom.
247	„ Parmananddas Koonverji Kapadia.	The Bombay Diamond Merchants' Association.	Dadina Building, Dhanji Street, Bom.
248	„ D. D. Writer	Dr. D. Writer & Co.	Bhavanishanker Road, Dadar, Bom.
249	„ Popatlal Girdharlal	Messrs. Popatlal Girdharlal & Co.	Nanji Building, Elphinstone Circle, Fort, Bom.
250	„ Keshavprasad C. Desai.	The Industrial & Prudential Assurance Co., Ltd.	Jehangir Wadia Building, Esplanade Road, Bom.
251	„ Sorabji Rustomji Mody	Messrs. R. E. Mody & Co.	Reay Road, Tank Bunder, Bom.
252	„ Jawahirmal Mulchand	„ Rai Bahadur Tikamchand	299, Kalbadevi Road, Bom.
253	„ Burjorji Pestonji Mehta	The Bombay Glass Bangles Merchants' Association.	82, Bazar Gate Street, Bom.
254	„ Dhirajlal C. Modi	The Gujerati Type Foundry	Gaiwadi, Girgaon, Bom.
255	„ Manu Subedar	Mr. Manu Subedar	Kodak House, Hornby Road, Fort, Bom.
256	„ G. F. Munshi	The Gujrat Islam Match Mfg. Co., Ltd.	Kankaria Road, Ahmedabad.
257	„ Kalyanbhai Sarabhai Javeri.	Messrs. Sarabhai & Sons	76-80, Prince Building, Medows St., Bom.

No.	Representative.	Member.	Address.
258	Mr. Shaikh Abdulla Shaikh Ahmed.	The Sugar Merchants' Association	Khand Bazar, Bom.
259	„ K. M. Shinkar	The Indian Co-operative Navigation & Trading Co., Ltd.	Keshavji Building, 119, Frere Road, Bom.
260	„ C. R. H. Readymoney	Messrs. India International Co.	Readymoney Mansion, Churchgate St., Bom.
261	„ Narayanlal Bansilal Pittee	Mr. Narayanlal Bansilal Pittee	205-207-209, Kalbadevi Road, Bom.
262	„ F. E. Dinshaw	„ F. E. Dinshaw	C/o Messrs. Payne & Co., Solicitors, Esplanade Road, Fort, Bom.
263	„ Sorab Dalal	Messrs. Sorab Dalal Tile Works	Westview," Khanpur Road, Ahmedabad
264	„ F. J. Bhumgara	Mr. F. J. Bhumgara	28, Camomile Street, London, E. C. 3.
265	„ S. Bhattacherjee	The Bengal Luxmi Cotton Mills, Ltd	28, Pollock Street, Calcutta.
266	„ Tricumdas D. Morarji	The Dharamsi Morarji Chemical Co. Ltd.	Sudama House, Witt t Road, Ballard Estate, Bom.
267	„ Bhogilal Lahcrchand Javeri.	Messrs. Batliboi & Co.	Forbes Street, Fort, Bom.
268	„ Mahomed Akbar A. Fazulbhoy.	Bombay Motor Exchange	67-69, Queen's Road, Opp. Marine Line Station, Bom.
269	„ H. F. Commissariat	Mr. H. F. Commissariat	Commissariat Building, Hornby Road, Fort, Bom..
270	Mr. Farroke E. Bharucha	Mr. Farroke E. Bharucha	Canada Building, Hornby Road, Bom.
271	Pt. Shiv Kishan Kaul	Messrs. Sir Daya Kishan Kaul Sons.	& 10, Abbott Road, Lahore.
272	Sir Byramjee Jeejeebhoy	Sir Byramjee Jeejeebhoy	Alice Building, Hornby Road, Fort, Bom.
273	Mr. B. S. Lalkaka	The Pioneer Magnesia Works	Chartered Bank Building, Esplanade Road, Fort, Bom.
274	„ Dharamsey Mulraj Khatau	Mr. Dharamsey Mulraj Khatau	42, Ballard Road, Fort, Bom.
275	„ Ramdev Anandilal Podar	Messrs. Anandilal Podar & Co.	Marwari Bazar, Bom.
276	„ Jehangir Ruttonji Dubash	Mr. Jehangir Ruttonji Dubash	24, Carnac Bridge Road, Akbar Press, Bom.
277	„ Govinddas Mancklal	„ Govinddas Maneklal	Asarva Road, Ahmedabad.
278	„ Purshottamdas H. Shah	Messrs. Bhaidas Karsondas & Co.	7/10, Elphinstone Circle, Fort, Bom.
279	„ Bhagwandas Ramchund	„ Narotumdas Ramchund & Co.	& C/o Mackinnon Mackenzie & Co., Ballard Estate, Bom.
280	„ Vrajlal Jivandas	„ Laxmidas Vrajlal & Co.	100/102, Girgaum Back Road, Bom.
281	„ J. K. Dubash	Mr. J. K. Dubash.	Dady House, Churchgate Street, Bom.
282	„ Mulji Lukhmidas	Messrs. Vussonji Morarji	36, Holi Chakla, Fort, Bom.
283	„ Babubhai Manji Sanghvi	„ R. Ratilal & Co.	61, Clive Road, Dana Bunder, Bom.

No.	Representative.	Member.	Address.
284	Mr. Ramdas Raghowji	.. Messrs. Raghowji Govindji & Co.	. Mulji Jetha Market, Navi Galli, Bom.
285	,, Jagmohundas Kaliandas	Mr. Jagmohundas Kaliandas	. "Krishna Kunj" Ridge Road, Bom.
286	,, M. S. Captain	.. Messrs. Captain & Vaidya	. 121, Esplanade Road, Fort, Bom.
287	,, Lachmandas Harkhchand Daga.	,, Rai Bahadur Bansilal Abirchand.	558|62, Shaikh Memon Street, Bom.
288	,, Nanji Ludha	.. Messrs. Kurpal Harsey & Co. (The Bombay Rice Merchants' Association.)	New Chinch Bunder Road. Bom.
289	,, Sunderdas Thakersey Rajda.	Mr. Sunderdas Thakersey Rajda	. 45, Old Hanuman Lane, Kalbadevi Road. Bom.
290	,, Chunilal B. Mehta	.. ,, Chunilal Bhaichand Mehta	. 51, Marwari Bazar, Bom.
291	,, Ratilal M. Nanavati.	.. Messrs. Kantawalla Nanavati & Co. Ltd,	28, Apollo St., Fort, Bom.
292	,, H. R. Dadabhoy	.. ,, Sorabji Shapurji & Co. Ltd.	Asian Building, Nicol Road, Ballard Estate, Bom.
293	,, J. B. Boman-Behram	.. Mr. J. B. Boman-Behram	. Sea-side, Colaba, Bom.
294	,, Ramji Hansraj	.. Messrs. Jeewanlal (1929) Ld.	. Kansara Chawl, Kalbadevi Road, Bom.

295	Mr. Sultan Chinoy	.. The Bombay Garage	.. Opp. Band Stand, Chaupatty, Bom.
296	,, Pherozeshah J. Marzban	Messrs. J. B. Marzban & Co.	.. Jam-e-Jamshed Office, Ballard House, Mangalore St. Fort, Bom.
297	,, Ahmed N. Futehally	.. ,, N. Futehally & Co.	. 19, Bank Street, Fort, Bom.
298	,, Ballabhdas Eshwardas Agrawal	Mr. Ballabhdas Eshwardas Agrawal.	Khandwa, (C. P.)
299	,, Bhawanji A. Khimji	.. Messrs. Arjan Khimji & Co.	.. Navsari Chambers, Outram Road, Fort, Bom.
300	Major S. A. Paymaster	. Major S. A. Paymaster	. Master Mansion, Chaupatty, Bom.
301	Mr. Mathradas Khimji	.. Messrs. The Jamnadas Nursey Ginning & Pressing Co., Ltd.	Albert Buildnig, Hornby Road, Fort, Bom.
302	,, Karamchand Chunilal	. Mr. Karamchand Chunilal	.. Sriram Mansion, Sandhurst Road, Bom.
303	Seth Kasturbhai Lalbhai	.. Seth Kasturbhai Lalbhai	.. Pankore's Naka, Ahmedabad.
304	Mr. Rustom Pestonji Masani.	Mr. Rustom Pestonji Masani	. Varsova, Via Andheri.
305	,, Dwarkadas Chhotalal Vakil	Mr. Dwarkadas Chhotalal Vakil	.. Wakefield House, Ballard Estate, Bom.
306	Rao Bahadur Laxman Vishwanath Pophale	Rao Bahadur Laxman Vishwanath Popha e	Malegaon, (Nasik District).
307	Mr. Dayaram Surajmal Lahoti	Messrs. Mahaboob Shahi Mills Co., Ltd.	Kulbarga 1727 Gunj Bazar, Secunderabad (Dn.)
308	,, Girdharlal H. Lohana	.. Mr. Girdharlal H. Lohana	.. Duncan Road, Bom. 4.

No.	Representative.	Member.	Address.
309	Mr. D. T. Thadhani	Messrs. T. S. Thadhani & Sons	Kazi Syed Street, Bom.
310	„ M. L. Dahanukar	Mr. M. L. Dahanukar	Shri Krishna Nivas, Kalbadevi Road, Bom.
311	„ K. S. Aiyar.	The Tata Iron & Steel Co., Ltd.	Bombay House, Bruce Street, Fort, Bom.
312	„ Mathuradas Vissanji	Messrs. Vissanji Sons & Co.	9, Wallace St., Fort, Bom.
313	„ Nemchand Abhechand	„ Nemchand Khimchand Co.	182, Shaikh Memon Street, Bom.
314	„ Motilal Bawalal	Mr. Motilal Bawalal	Dalal Street, Fort, Bom.
315	„ N. N. Dutta	Hindusthan Co-operative Insurance Society, Ltd.	Commissariat Building, Hornby Road, Fort, Bom.
316	„ Hargovandas Jeevandas	Mr. Hargovandas Jeevandas	Popatwadi, Kalbadevi Road, Bom.
317	„ Prehladji D. Bhatt	Messrs. Purshotam Mathradas & Co., Ltd.	80, Kazi Syed Street, Bom.
318	„ Ebrahim Currnally	Messrs. Currnally Jamnahomed	160-62, Samuel Street, Bom.
319	„ N. W. Gurjar	Messrs. Kirloskar Bros. Ltd.	Kirloskarvadi, (Dist. Satara).
320	„ M. L. Dahanukar	The Maharashtra Chamber of Commerce.	Phoenix Building, Ballard Estate, Fort, Bom.

321	Mr. Jayantilal Devidas	Mr. Jayantilal Devidas	Carnac Bunder, Bom.
322	„ R. Hashmatrai	Messrs. Dhanamal Chellaram	Medows Street, Fort, Bom.
323	Khan Bahadur D. B. Cooper	The Cooper Engineering Works	"Huntworth," Satara.
324	Mr. Reginald Herber Parker	Bombay Telephone Co., Ltd.	Home Street, Fort, Bom.
325	„ G. K. Dalal	Messrs. Dalal & Mehta	41, Medows Street, Fort, Bom.
326	„ Natverlal Bhagvanlal Desai	„ Natverlal & Co.	Whiteaway Laidlaw Building, Hornby Road, Fort, Bom.
327	„ G. S. Mahomed	Mr. G. S. Mahomed	149, Samuel Street, Bom. 3.
328	„ Tulsidas Khimji	„ Tulsidas Khimji	46, Churchgate Street, Fort, Bom.
329	„ Ranchhoddas Harkisondas Merchant	„ Ranchhoddas Harkisondas chant	Mer- Justice Patker's House, Hughes Road, Bom.
330	„ Jugmohandas J. Kapadia	Mr. Jugmohandas J. Kapadia	10|12, Dr. Wilson Street, Girgaum, Bom.
331	„ A. A. Jasdenvala	Messrs. Adamji Lookmanji & Co.,	127, Fort Street, Fort, Bom.
332	„ D. Cowasji	„ D. Cowasji & Co., Ltd.	20, Fort Street, Fort, Bom.
333	„ H. B. Reporter	„ Empress Iron & Brass Works	Connaught Road, Parel, Bom.
334	„ Virchand Panachand Shah	„ Virchand Panachand & Co.	Gaumukh Bhuvan. Masjid Bunder Road. Bom.

No.	Representative.	Member.	Address.
335	Mr. Khimji Madan Bhujpuria	The Bombay Grain Dealers' Association	Asso-Cutchi Dasha Shrimali Mahajanwadi, Kandewady, Bom.
336	„ Nagindas Tribhowandas Master	Mr. Nagindas Tribhowandas Master.	94, Medows Street, Fort, Bom.
337	„ Shivramdas B. Kedia	.. Messrs. Shivramdas Gangaprasad Kedia	1556, Shaikh Memon Street, Bom.
338	Ardeshir Rustomji Billimoria	Madan Theatres, Ltd.	.. Excelsior Theatre, Fort, Bom.
339	Hon. Mr. H. M. Mehta	.. Messrs. H. M. Mehta & Co., Ltd.	.. Apollo Street, Fort, Bom.
340	Mr. Arvind N. Tana	.. Mr. Arvind N. Tana	. Dahanu.
341	„ Jagjivan Ujamshi	.. „ Jagjivan Ujamshi	.. Aga Khan Building, Dalal Street, Bom.
342	„ Hemchand Mohanlal	.. Messrs. Hemchand Mohanlal & Co	Dhanji Street, Bom.
343	„ Erachshaw R. Heerjibehedin.	Mr. Erachshaw R. Heerjibehedin	.. Kaiser-Chambers, Elphinstone Circle Fort, Bom.
344	„ Mangaldas B. Mehta	.. Messrs. Amarchand & Mangaldas	.. 36, Tamarind Lane, Fort, Bom.
345	„ V. G. Motwani	.. Eastern Electric & Engineering Co.	175, Hornby Road, Fort, Bom.
346	„ Devji Tokersey Moolji	.. Mr, Devji Tokersey Moolji	.. Bhat Bazar, Mandvi, Bombay.

347	Mr. Valabhdas Tejpal	Mr. Valabhdas Tejpal	. 219, Vadgadi, Bom.
348	„ Fakirjee Cowasjee	.. Messrs. Cowasjee & Sons	. Kimari, Karachi.
349	„ Choonilal Girdharlal	.. „ Choonilal Girdharlal & Co.	Rustom Building, Churchgate St., Fort, Bom.
350	„ Ratilal Mulji Gandhy	.. The Seeds Traders' Association	. Gaya Building, Musjid Bunder Road Bom.
351	Sir Chunilal V. Mehta	.. Sir Chunilal V. Mehta	. Canada Building, Home St., Fort, Bom
352	Mr. Amritlal Popatbhai	.. Messrs. Amritlal Popatbhai & Co.	. New Stock Exchange Building, Dalal St., Fort, Bom.
353	„ Lalbhai Manilal Lalubhai Teli.	Mr. Lalbhai Manilal Lalubhai Teli	C/o Indian Cotton Oil Co., Ahmedabad.
354	„ Goolamhuzein Ebrahim	. Messrs. Abdoolally Ebrahim	.. 121, Nagdevi Street, Bom.
355	„ Mancck P. Mistry	.. Messrs. Bharat Flooring Tiles Co.	. 20, Apollo Street, Fort, Bom.
356	„ H. S. Mitha	.. Mr. Huscin Sulcman Mitha	. Sugar Market. Bom
357	„ Ranchhoddas Jethabhai	Messrs. Ranchhoddas Jeyram & Sons	Dongri Street, Bhat Bazar, Bom.
358	„ K. S. Ramchandra Iyer	The Indian Insurance Companies' Association	Jehangir Wadia Building, Esplanade Road, Fort. Bom.
359	„ Hiralal D. Nanavati	.. Mr. Hiralal D. Nanavati	80, Esplanade Road, Fort, Bom
360	„ D. H. Vakil	.. Messrs. Vakil & Co.	. Kaiser-Gunj, Ajmer.

No.	Representative.	Member.	Address.
361	Mr. Morarji Padamsey	.. Mr. Morarji Padamsey	.. 346, Hornby Road, Fort, Bom.
362	„ Thakoredas Nanabhai Merchant	„ Thakoredas Nanabhai Merchant.	Khakhar Building, C. P. Tank Road, Bom.
363	„ Gopaldas Poonja	.. Messrs. Khimji Poonja & Co.	. 9-13, Humum Street, Fort, Bom.
364	Sir Cowasji Jehangir (Jr.)	.. Sir Cowasji Jehangir (Jr.)	. Readymoney Mansion, Churchgate Street, Fort, Bom.
365	Mr. F. D. Dhondy	.. Messrs. Patel & Dhondy	. Devkaran Mansion, Princess Street, Bom.
366	„ Ramdas K. Hargovan	.. Mr. Ramdas K. Hargovan	. 167-71 Cavel Street, Bom.
367	„ Abdealli M. Kajiji	.. Mr. Abdealli M. Kajiji	.. "Dilkush," Grant Road, Bom.
368	„ Jetha Monsi	.. Messrs. Lalji Jetha & Co.	.. Duncan Road, Bom.
369	„ Dwarkadas Sunderdas	.. „ Sunderdas Dwarkadas & Co	42, Humum Street, Fort, Bom.
370	„ Maneklal B. Patel	.. „ Shri Krishna Film Co.	. 162, Dadar Road, Dadar, Bom.
371	„ Amritlal D. Sheth	.. „ Saurashtra Ltd.	. Ranpur (Kathiawar).
372	„ Maneklal Premchand	.. Mr. Maneklal Premchand	. 63, Apollo Street, Fort, Bom.
373	Mr. Dhansukhlal C. Mehta	.. Messrs. Mehta Vakil & Co.	.. Wadia Building, Dalal St., Fort, Bom.
374	„ Abdultyeb E. Muskati	. Mr. Abdultyeb E. Muskati	186-88, Nagdevi Street, Bom.
375	„ Venkatnarayan Patruni	..Mr. Venkatnarayan Patruni	Dahanukar Building, Kalbadevi Road, Bom.
376	„ Dostmahomed Munji	..Messrs. Munji Nathoobhoy & Co.	. 12-13, Dougall Road, Ballard Estate Fort, Bom.
377	„ Rustomji Dorabji	.. „ Wellington & Co.	. Hornby Road, Fort, Bom.
378	„ K. J. Divecha	.. „ Wright & Co.	Mint & Frere Roads, Fort, Bom.
379	„ Lalji Ravji	.. „ Rāvji Nensee & Co.	. Ganpat Nappoo Building, New Chinch Bunder Road, Bom
380	„ Gangji Devjee	.. „ Devjee Khetsey & Co.	. New Chinch Bunder Road, Bom.
381	„ Naranlal Jivanlal	.. The Ahmedabad New Standard Mills Co., Ltd	Post Railwaypura Ahmedabad.
382	„ Maturadas Kanji Mattani	The Bombay Rice Merchants' Association.	Carnac Bunder, Bom.
383	„ Shah Parshottam Shamji	Mr. Shah Shamji Vallabhji	Mulji Jetha Market, Sunder Chowk, Bom.
384	„ J. A. D. Naoroji	.. The Tata Oil Mills Co., Ltd.	Bombay House, Bruce Street, Fort, Bom
385	„ Morarji Narottam	.. The Pralhad Mills, Ltd.	Gresham Building, Esplanade Road, Fort, Bom.
386	„ Phiroze C. Cooper	.. Messrs. Boyce & Co.	20, Fort Street, Fort, Bom.

No.	Representative.	Member.	Address.
387	Mr. Hargovindas B. Kotak	Messrs. Kotak & Co.	Navsari Building, Hornby Road, Fort, Bom.
388	„ Taherally Mahomedally ..	The Bombay Iron Merchants' Association.	Carnac Bunder, Bom.
389	„ J. D. Kothawala ..	Messrs. Polson Mfg. Co.	217-219, Frere Road, Fort, Bom.
390	„ Haji Oosman Poonawala ..	„ Haji Oosman & Co.	"Noor House", 9, Club Back Road, Bom.
391	„ Manicksha N. Pochkhanawalla	„ Wadia, Ghandy & Co. ..	123, Esplanade Road, Fort, Bom.
392	„ Bhogilal C. Shah ..	The Chamber of Income-tax Consultants.	15, Jiji House, Ravelin Street, Fort, Bom.
393	„ Jamnadas M. Mehta ..	The Indian National Steamship Owners' Association.	Sudama House, Wittet Road, Ballard Estate, Fort, Bom.
394	„ Dharamdas Samaldas Purbhoodas	Mr. Dharamdas Samaldas Purbhoodas.	19, Mody Street, Fort, Bom.
395	„ Shamjee Premjee ..	Messrs. Ranchordas Purshotam & Co.	06, Khand Bazar, Bom.
396	„ Nandlal M. Bhuta ..	„ M. Bhuta & Co.	88, Musjid Bunder Road, Mandvi, Bom
397	„ Nadirshaw Kawasjee ..	Mr. Nadirshaw Kawasjee.	C/o Messrs. Nadirshaw Printer & Co., 121, Esplanade Road, Fort, Bom.
398	Mr. D. H. Bhiwandiwala ..	Messrs. Hormusji Manekji, Dossabhoy Hormusji Bhiwandiwala & Co.	383, Chira Bazar Bom.
399	„ Phirozesha B. Petit ..	„ Phirozesha B. Petit & Co.	"Chateu Petit," Warden Road, Bom.
400	„ Jehangir B. Manekji ...	The General Engineering Corporation, Ltd.	Sardar Mansion, Apollo Street, Fort, Bom.
401	„ C. G. Fozdar ...	The Asian Assurance Co., Ltd.	Asian Building, Ballard Estate, Fort, Bom.
402	„ Ratilal Nathalal ..	Mr. Ratilal Nathalal ..	C/o Commercial Mills Co., Ltd., Ahmedabad.
403	„ Sakarlal Balabhai ...	The Sarangpur Cotton Mfg., Co., Ltd.	Ahmedabad.
404	„ Motilal H. Parikh ..	Messrs. Lallubhai Amichand ...	554, Kansara Chawl, Bom,
405	„ N. M. Sampat ...	„ S. Mitra & Co. ..	210, Kelewadi, Girgaum Road, Bom.
406	„ Byramjee Hormusjee ..	„ Zenith Life Assurance Co., Ltd.	Apollo street, Fort, Bom,
407	„ Narayan Anant Desai ...	„ Anant Shivaji Desai ..	Moti Bazar, Bom.
408	„ P. D. Churi ...	National Insurance Co., Ltd. ..	Alice Building, Hornby Road, Fort, Bom.
409	„	The Bombay Chemists & Druggists Association.	Devkaran Mansion, Princess Street Bom
410	„ Dewji Dayal Thaker ...	Mr. Dewji Dayal Thacker ..	Jharia (Manbhum)
411	„ D. P. Tata ...	The Bombay Kariana Merchants' Association. ...	222-4, Vadgadi, Mandvi Bom.

No.	Representative.	Member.	Address.
412	Mr. H. A. Lalljee ..	The Indian Match Manufacturers' Association.	Samuel Street, Mandvi, Bom.
413	„ Vithaldas Kanji ..	The Wallace Flour Mills, Co., Ltd.	9, Wallace Street, Fort, Bom.
414	„ Dharamdas Vithaldas	Mr. Dharamdas Vithaldas	Tamba Kanta, Bombay.
415	„ Sitaldas Tirathdas	Messrs. Sitaldas Tirathdas ..	64, Multani's Wadi Walkeswhar, Road, Bombay.
416	„ Ishvarlal S. Patel ..	„ The New Laxmi Oil & Chemical Works, Ltd.	Derol, (Panchmahal).
417	„ Hassanally Shermahomed.	Mr. Hassanally Shermahomed ..	39, Pydhonie Road, Khadak, Bombay.
418	„ Dharamdas Hargovandas.	„ Dharamadas Hargovandas ..	Popatwadi, Kalbadevi Road, Bombay.
419	„ Bhogilal Hargovindas Patel.	Messrs. Das & Co. ..	14, Tamarind Lane, Fort, Bombay.
420	„ Rahim Ebrahim ..	„ Ebrahim Currim & Sons ..	Rahim Building, Princess Street, Bombay.
421	Dr. Kalimudin ..	The Bombay Soap Factory ..	Ripon Road Cross Lane, Jacob Circle, Bombay.
422	Mr. W. H. Whittington ..	The Bank of India, Ltd. ..	Fort, Bombay.
423	„ Nandvadan Jhaverilal Gor. ..	Mr. Nandvadan Jhaverilal Gor. ..	York Building, Hornby Road, Fort, Bombay.

424	Mr. S. B. Dalal ..	Messrs. Birla Bros., Ltd. ..	Yusuf Building, Churchgate Street, Fort, Bombay.
425	„ J. M. Cordeiro ..	The Bombay Mutual Life Assurance Society, Ltd.	278, Hornby Road, Fort, Bombay.
426	„ C. N. Moberley ..	The Bombay Electric Supply & Tramways Co., Ltd.	Electric House, Fort, Bombay.
427	„ Purshotamdas Popatlal	Messrs. Purshotamdas Popatlal & Co.	37, Hamam Street, Fort, Bombay.
428	„ Vasonmal Kishenchand	Messrs. J. B. Advani & Co., Ltd. ..	27, Mangaldas Road, Bombay.
429	„ H. Edwin-Jones ..	The Oriental Government Security Life Assurance Co., Ltd.	Oriental Buildings, Hornby Road, Fort, Bombay.
430	„ M. N. Kuka ..	The Central India Spg. Wg., & Mfg. Co., Ltd.	Bombay House, Bruce Street, Fort, Bombay.
431	„ J. H. Bhabha ..	The Andhra Valley Power Supply Co., Ltd.	Do.
432	„ J. H. Bhabha ..	The Tata Power Co., Ltd. ..	Do.
433	„ V. C. Setalvad ..	Mr. V. C. Setalvad ..	C/o The Industrial & Prudential Assurance Co., Ltd., Jehangir Wadia Bldg., Esplanade Road, Fort, Bombay.
434	„ Chiranjilal Loyalka ..	Messrs. R. B. Loyalka ..	Share Bazar, Fort, Bombay.
435	„ Ebrahim Dawood Kazi	Mr. Ebrahim Dawood Kazi ..	Pine Mansion, Mazgaon, Bombay.
436	„ Dorab R. Davar ..	Messrs. Cornelius & Davar ..	80, Esplanade Road, Fort, Bombay.
437	„ Chimanlal Manchubhai	Mr. Chimanlal Manchubhai ..	183, Cadell Road, Mahim, Bombay.

No.	Representative.	Member.	Address.
438	Mr. Amritlal Hargovandas	Mr. Hargovandas Lakhmichand	Manek Chowk, Ahmedabad.
439	„ Thakorlal Hiralal Vakil	The Bombay Coal Merchants' Association.	4, Green Street, Fort, Bombay.
440	„ Geo Brown	The British India General Insurance Co., Ltd.	35-43, Churchgate Street, Fort, Bombay.
441	„ Hassanali M. Khairaz	Messrs. Ebram Peermahomed & Co.	142, Chuckla Street, Bombay.
442	„ Harivallabhdas Kalidas	Messrs. Shri Ambica Mills, Ltd.	Post Railwaypura, Ahmedabad.
443	„ Narotam Vithal Purshotam.	„ Vithal Purshotam & Son.	Sandhurst Road, Bombay.
444	„ C. E. Randle	The Bank of Baroda, Ltd.	Apollo Street, Fort, Bombay.
445	Mrs. Lilavati Munshi	Swadeshi Market Committee	Kalbadevi Road, Bombay.
446	Mr. Gunvantlal Varajdas Kapadia	Mr. Gunvantlal Varajdas Kapadia	C/o Dikshit Manekla! & Co., Solicitors, 23, Medows Street, Fort, Bombay.
447	„ B. S. Turkhad	The Prabhat Insurance Co., Ltd.	Yusuf Bldg., Fort, Bombay.
448	„ Abdoola Hoosein Calcuttawala.	Messrs. Velji Kalidas & Co.	Khoja Mohalla, Bombay.
449	„ Bandali Ismail Muraj	Messrs. Bandali Ismail & Co.	136, Khoja Mohalla, Bombay.
450	Mr. Gulamhusain Abdulla	Mr. G. Abdulla	Khadak, Bombay.
451	„ Jagjiwandas Dosabhai	Messrs. Jagjiwandas Dosabhai & Co.	1, Shaikh Memon Street, Moti Raghunath Building, Bombay.
452	„ Durlabji Shah	Messrs. Mithabhoy & Co.	Rahim Bldg., Princess Street Bombay.

REPORT OF THE COMMITTEE

OF

THE INDIAN MERCHANTS' CHAMBER

for the year 1931 presented to the Annual General Meeting of the Chamber held on 30th January 1932.

Your Committee have pleasure in presenting the 24th Annual Report of your Chamber. During the course of the year 51 Committee meetings were held, the work done being of a varied and important nature.

The principal subjects dealt with by your Committee related to the following main heads:—

(1) Transport and Communications, (2) Finance, Tariffs and Taxation, (3) Trade and Industrial Legislation, (4) Government Stores Purchase Policy, (5) General Trade and Industry and (6) General.

TRANSPORT AND COMMUNICATION.

RAILWAYS—SHIPPING—POSTS AND TELEGRAPHS—TELEPHONES.

Interview with Sir B. N. Sarma, K.C.S.I., & Mr. A. W. Parsons, of the Railway Rates Advisory Committee—Re: Amendment of the Railway Act.

It was mentioned in the Report of the Committee for the year 1930 (Item No. 1) that they had submitted a memorandum, embodying their suggestions regarding amendments of the various sections of the Railway Act, to the President of the Railway Rates Advisory Committee. In this connection the Committee had an interview with Sir B. N. Sarma and Mr. A. W. Parsons, President and Member respectively, of the Railway Rates Advisory Committee on the 22nd January 1931 and discussed with them their suggestions as contained in the memorandum.

Interview with Mr. T. G. Russell, Chief Commissioner for Railways.

The Committee of the Chamber had an interview with Mr. Russell on 24th April, 1931, when the following questions were discussed:

Bombay Sind Railway.

Information was sought of Mr. Russell as to where the scheme of connecting Bombay with Sind by a direct railway stood at present. The Committee had in the past asked for detailed estimates of the two alternative proposals in this connection, viz., (i) a direct broad gauge line, *viz.*, Badan, Nagar-Parkar and Suegam: (ii) *via* Jodpur Hyderabad-Mirpurkhas-Kudro, the proposal of the Jodhpur Durbar, to enable them to express their opinion on the comparative merits of the proposals.

Mr. Russell in reply informed the Committee that the Railway Board had not come to any decision in the matter and that he expected to be able to furnish them with the figures shortly and to let them have an opportunity of expressing their views thereon.

Cost of handling Agricultural produce

Mr. Russell informed the Committee that Government proposed to appoint a Committee to enquire into the cost of handling agricultural produce, viz., the cost of transporting the same from the fields to the ware-house, from the warehouse to the railway stations, from the railway stations to markets and ports, etc.

Disparity in Railway freight rates.

The attention of Mr. Russell was also drawn to the disparity in freight rates between ports and interior stations and as between stations in the interior and the adverse effect it had on agriculture, interior trade and industries. He promised that the matter would receive the consideration of the Railway Board if specific cases were put up before them.

Mr. Russell promised to consider the suggestion that the railway tariff should be so revised as to facilitate industrial development.

Proposal of the B. B. & C. I. Railway to Discontinue the first and second class mileage coupon Tickets.

The Committee drew the attention of Mr. Russell to the proposal of this railway to discontinue the above facility to commercial travellers and urged his intercession in the matter. He promised to communicate with the Agent of the B. B. & C. I. Railway with a view to see as to what could be done in the matter.

Railways and Promotion of Trade-Interview with Mr. W. T. Aldous.

It was reported in the proceedings of the Committee for the year 1930-item No. 3-that they had made certain suggestions to Mr. W. T. Aldous, Commercial Officer on special duty with the Railway Board, to consider the question of co-operation of railways in the promotion of trade. The Transport Sub-Committee of the Chamber, on behalf of the Committee, met Mr. Aldous on 29th January and further discussed with him the subject with particular reference to the suggestions already made last year.

Intermediate Charges between the producer and his markets.

It was mentioned in an earlier paragraph that the Government of India proposed to appoint a Committee to inquire into the cost of handling agricultural products—the intermediate charges between the producer and his markets. This Committee, composed of Mr. A. Dale Green and Khan Bahadur Maulvi Fateh Din, had an interview with the Committee of the Chamber on 18th September 1931. During the course of the discussion it was pointed out that railway freight formed the most important part of such charges ' and that it pressed very heavily on certain commodities. Figures were also supplied showing that, whereas there a was a tendency for all other intermediate charges to go down with the fall in the commodity prices, railway freight had remaind stationary. Mr. Dale Green, however, observed that the terms of reference of the Enquiry Committee precluded them from considering the question of railway freight. The Committee pointed out that intermediate charges included railway freight and that, as railway freight formed a major part of such charges, any inquiry excluding the question of railway freight would but touch the fringe of the problem. Mr. Dale Green thereupon corrected himself by saying that necessarily their investigation included enquiry into the incidence of railway freight and its bearing on the intermediate charges, but what he meant by saying that the terms of reference precluded them from discussing the question of railway freight was that in his discussions he was not to give any indication as to the merits of increasing or lowering the railway freight on any particular commodity. He added further that they would certainly enquire as to what part railway freight formed in such charges. Then followed a general discussion, where instances were cited as to the effect a particular freight rate had in fixing the price of a particular commodity very low.

Reduction of Railway Freight on Cotton.

The attention of the Committee of the Chamber was drawn to a Press Note issued by the Government of India, in December 1930, on the question of reduction of railway freight on cotton. The

Press Note stated that the suggestion of the Indian Central Cotton Committee to reduce the freight rate on cotton was being sympathetically considered, and that side by side the Railway Board were examining the possibility of making good the loss in freight earnings entailed in such a reduction by increasing the rates on other commodities.

Arising out of this, the Committee in a communication to the Government of India endorsed the plea of the Indian Central Cotton Committee for a 20% reduction in freight on cotton. They also suggested that to compensate for the loss in freight earnings thereby, an increase on freight rates on Sugar, Marble and Stones might be considered. They felt that the " traffic " under these items would be able to "bear" such an increase, and that the proceeds therefrom would more than set off the loss sustained through any reduction in freight on cotton.

In this connection, the East India Cotton Association invited the collaboration of the Committee with a view to making a joint and influential representation to the Government of India regarding the necessity for immediate reduction in the freight rates on cotton, and requested them to nominate two representatives to a Special Joint Committee, consisting of representatives of the Association, the Indian Merchants' Chamber, the Bombay Chamber of Commerce, the Indian Central Cotton Committee and the Bombay Millowner's Association. The Committee nominated Messrs. Walchand Hirachand and Ratilal M. Gandhi to represent the Chamber. This Joint Committee recommended to the Government of India an immediate reduction all round of 50 per cent. in cotton freights in view of the unparalelled fall in prices. They also suggested that the loss in the earnings of the railways consequent upon such a reduction might be made up by increasing freights on imported goods and by rigid retrenchment in expenditure.

Railway Freight on Grain and Seeds.

The Grain Merchants' Association and the Seeds Traders' Association jointly submitted to the Committee on 6th October, 1931,

a memorandum on the need for reduction of railway freight on grains and seeds. The memorandum contained facts and figures showing that in recent years there had been a steady fall in the prices of these materials, and that the intermediate charges between the producer and his markets in respect of these commodities, excepting in the case of railway freight, had seen substantial reduction. The railway freight alone had been stationary, and a strong case was made out for the reduction of the same. The Committee on 17th October, 1931, addressed the Railway Board supporting the case for reduction.

In this connection, they also endorsed the suggestion made by the Joint Committee of the East India Cotton Association, the Bombay Millowners' Association, the Indian Central Cotton Committee, the Bombay Chamber of Commerce and the Indian Merchants' Chamber, regarding the advisability of making good the loss entailed in such reductions of freights by increases in freight rates on imported articles.

Increase in Terminal Charges on Consignments of Cotton.

The Bombay, Baroda & Central India Railway had increased their terminal charges from 12 pies to 16 pies per maund on local goods traffic from 1st March 1931. On intercession, however, of the Railway Board, at the instance of the Chamber, they had decided to make an exception in the case of cotton, fully pressed, booked to Bombay, by not levying thereon the enhanced terminal charge during the current cotton season, viz., up to the end of August 1931. As the period for which this exception was made was to expire at the end of August, 1931, the Committee at the suggestion of a member approached the B. B. & C. I. Railway on 21st August 1931 with a request that cotton should continue to be exempted from the enhanced terminal charges, in view of the abnormally low prices for cotton and the depressed condition of that trade. The B. B. & C. I. Railway in their reply dated 31st August, 1931 informed the Committee that they had decided to continue the exemption in the case of cotton till conditions improved.

Indian Railway Conference Association.

The views of the Committee were invited on the items before the Spring Meeting of the Commercial Committee of the Indian Railway Conference Association.

The principal items on the agenda were:

(i) Minimum charge on Treasure.

(ii) Proposal to have special wooden waggons for the transport of hides and skins.

As regards item No. 1, the Committee expressed themselves in agreement with the suggestion made by the Chief Traffic Manager of the G. I. P. Railway, that the minimum weight for charge on Treasure should be 20 seers as against the present minimum of 1 maund. Regarding the other item on the agenda they had no views to offer.

Railway Concession to Students of Technical and Industrial Institutions.

On 13th July, 1931, the Indian Railway Conference Association forwarded to the Committee praticulars of the subjects, which were before the meeting of the Commercial Committee of the Conference to be held in October 1931, and invited their views on the same.

One of the items on the Agenda was a proposal from the Madras & Southern Maharatta Railway, to discontinue the system of concessions to students of Technical, Commerical, Industrial and Agricultural Institutions. The principal reason advanced for such discontinuance was that the concession did not bring in additional traffic to railways. The Committee in their reply dated 5th August, 1931 pointed out that additional traffic was not the " raison d' etre " for such concessions, but that it was more intended to facilitate students in their journeys and in the nature of an indirect encouragement to education. Particularly the suggestion, as it stood, placed a handicap on Technical and Industrial students, and the Committee, therefore, requested that the proposals should not be accepted.

Enhancement of freight on Sugar, Piecegoods and Tobacco.

On 16th September, 1931, the Indian Railway Conference Association invited the views of the Committee on the proposal of the Railway Board to enhance the classification, for purposes of railway freight, on sugar, piecegoods and tobacco. The main reason given in justification of the increase was the necessity to bridge the gap between the receipts and expenditure as a result of the continuous drop in the earnings of the railways. The Committee, in their reply dated 26th September, 1931, in opposing the proposal expressed their surprise that at a time when there was an insistent demand for general reduction of railway freight the Railway Board should have come out with a proposal for increasing freight rates. As regards the necessity for bridging the gap between receipts and expenditure, the Committee opined that the time had come when the Railway Administrations should reduce their expenditure commensurate with their reduced earnings.

Bazar-packed Piecegoods.

Bazar-packed piecegoods bales are required to be secured tightly with iron bands for transport by rail. This stringent packing condition, by the cost it involved, had tended to divert their transportation by motor lorries. So to enable the Railways to compete successfully with motors, a proposal was placed before the Railway Conference Association by one of the Railway Administrations that the packing conditions should be relaxed as under:—

> 'Bazar-packed bales of piecegoods may be covered with double gunny, the outer covering being securely stitched and the bales tightly bound with ropes."

The Railway Conference Association invited the views of the Committee on the above proposal. They replied that they had no objection to the same.

Classification of Groundnut seeds for freight rate purposes.

The attention of the Committee was drawn to the fact that groundnut was classified by railways for purposes of freight at a higher rate than other oil seeds. As there was no difference between groundnuts and other oil seeds justifying this differential treatment, the Committee addressed the Railway Board suggesting that groundnut seeds, should also, along with the other oil seeds, be classified under " seeds common " and charged accordingly.

Again, for groundnuts a charge on account of loading and unloading was made by the railways,which charge was not common to other grains or oil seeds. The Committee saw no reason why there should be such an extra charge on groundnut traffic and suggested to the Railway Board that the same should be discontinued.

The Railway Board replied that the matter had been referred to the Indian Railway Conference Association for consideration by the Commercial Committee of interchange.

Proposal of the G. I. P. & B. B. & C. I. Railways to increase fares.

The attention of the Committee was drawn to the proposal of the G. I. P. and B. B. & C. I. Railways to increase the season ticket fares for the suburban traffic, and the third class long distance fares as also the terminal charges. They addressed letters of protest to both the Railway administrations as also to the Railway Board, pointing out that instead of imposing burdens on railway traffic they should try to bridge up the gap between their income and expenditure by effecting substantial retrenchment in their expenditure. Particularly in regard to the proposal to increase the suburban ticket fares, they urged that the same would tend to impede suburban development and consequently to overcrowding in the City.

Both the Railways in their reply regretted they were unable to reconsider the matter. The Railway Board also did not consider it necessary to interfere as the measures were considered indispensable by the Railway administrations on financial grounds.

Freight on Jari (Gold & Silver lace).

The Surat Samast Jari Mahajan informed the Committee that from 1st November, the B. B. & C. I. Railway were treating Jari (gold and silver thread) for freight purposes, as treasure, and charging the same at the higher class. The minimum weight for freight was also increased to 1 maund. In a letter dated 18th December addressed to the Agent of the Railway, the Committee pointed out that the increase would bear heavily on the trade, and the minimum weight fixed was very unfair, as, having regard to their delicate nature, Jari goods were always sent in small parcels. They urged that classification of Jari as treasure was unreasonable and requested a reversion to the former rates.

Railway freight on Coal.

The attention of the Committee was drawn to the proposal of the Railway Board to impose from 15th January 1932 a surcharge of 15 per cent. on existing coal freights. In a letter dated 10th December, 1931, the Committee informed the Board that they were opposed to the increase. They expressed their surprise that at a time when trade and industries were in a depressed state, Government should have thought of saddling them with additional burdens, and sounded a note of warning that the additional impost might not substantially increase the railway earnings as the step might tend to restrict the consumption and movement by rail of coal. They also enquired whether side by side, any increase in rate on crude oil was contemplated as otherwise crude oil might get the advantage in competing with coal.

The Railway Board in a reply dated 19th December pointed out that the financial circumstances of the Railways compelled them to tap all sources of increase in revenue and they thought that coal might stand a higher rate. They added that the matter had been fully discussed with the Indian Mining Federation and the Indian Mining Association. Regarding the possibility of crude oil displacing coal, they suggested that it was a matter to be taken up direct with the individual railway administrations concerned.

Enhancement of freight rates for matches by the B. B. &. C. I. Rly.

It was represented to the Committee that the B. B. & C. I. Railway proposed to increase their rates for matches from September 1931. On 2nd September they addressed a letter to the Agent of the B. B. & C. I. Railway, pointing out that the condition of the match industry was not good, and that any increase in freight would not be justified. The Agent replied on 21st September that a few years back, with a view to encourage the indigenous industry, the B. B. & C. I. Railway had introduced lower exceptional class rates for matches instead of charging at the usual classified rates. The continued drop in the earnings of the Railway, however, made it necessary to seek avenues for additional revenues by increasing rates and fares,and in view of the fact that the indigenous match manufacturing factories had made rapid progress the Railway considered that matches could bear an increase in rates. The Agent added that even the revised rates were still substantially lower than the classified rate for matches.

Risk Notes—Responsibility of Railways.

On 8th August, 1931, the Indian Chamber of Commerce, Calcutta, sent to the Committee a copy of a representation to the Railway Board on the subject of the responsibility undertaken by railways in the conveyance of goods, particularly under Owner's Risk conditions, with a request that this Chamber should support the same. In a communication on the subject to the Railway Board, dated 23rd September, the Committee reminded them that the agitation against the hardships caused by the vagueness in the wording of certain clauses of the Risk Notes—particularly B and H—was very old. In 1924 certain alterations were effected in the wording of the Risk Notes with a view to secure greater protection to the merchants and to increase the responsibility of the railways as bailees. But even the amended form laid the onus of proving misconduct or negligence on the part of the railway authorities, which had resulted in the loss of goods, on the merchant. The Committee pointed out how

it was very difficult for the consignee to prove that the loss of any particular portion of the consignment was due to the negligence or misconduct of the railway servants. They therefore requested that official interpretation of the clauses in the Risk Notes should be laid down, by which it might be held that damage was presumptive evidence of negligence and that negligence was good evidence of misconduct, and that in the case of damage, the onus of proof of absence of misconduct must lie on the Railway Administration. If, however, it was not possible to lay down any such interpretation, they suggested that the Risk Notes might be revised at an early date so as to afford proper protection to the merchant.

Mileage Coupon Tickets for Commercial Travellers.

It was reported in an earlier paragraph that the B. B. & C. I. Railway Company proposed to discontinue the system of first and second class mileage coupon tickets. Subsequently on 7th May 1931, the B. B. & C. I. Railway Company communicated to the Committee their intention to re-introduce the system of coupon tickets on the basis of an arrangement with the Chambers of Commerce and Millowners Associations, whereby applications from commercial bodies for the concession could be forwarded through such Associations and Chambers, who in their turn would endeavour to verify the *bona-fides* of the applications. The Railway Company enquired whether the Chamber would be prepared to render such assistance. The Committee, on 18th June 1931, replied that they had no objection to co-operating with the Railway Company in regard to the issue of mileage coupon tickets, provided that the restriction contemplated applied to all business firms alike.

The Committee understand that the Railway Company, in common with the many of the other railways, have since decided to discontinue the system of such coupon tickets.

Chamber's Representatives on the Local Railway Advisory Committees.

During the period of the temporary absence of Sir Purshotamdas Thakurdas, and the Hon'ble Sir Phiroze Sethna, from the country, in connection with the Round Table Conference, Mr. A. D. Shroff and Sir Chunilal V. Mehta, represented the Chamber on the B. B. & C. I. Railway Local Advisory Committee and the G. I. P. Railway Local Advisory Committee respectively.

Grievances of Merchants at Wadi Bunder (G. I. P. Rly.)

On the suggestion of a member, the Committee sent on 2nd September 1931 a letter to the G. I. P. Railway regarding certain railway grievances of merchants at Wadi Bunder. They pointed out that in consignments where there were slack bags the consignee should, while taking delivery, be allowed to make an endorsement on the receipt, that so many bags were found slack, and that, if the consignee desired re-weighment, such bags should be re-weighed. They suggested that memo's of unclaimed goods should be put up on a Notice Board, if there were not more than a dozen of such unclaimed consignments a day. They also stressed the necessity for giving information to the consignee regarding such consignments before 3 p. m. A request for reducing the wharfage charge from the present rate of one anna per maund per day was also made.

The Railway Company, in their reply dated 4th December, informed the Committee that in cases where the consignments were booked at railway risk, re-weighments were granted at the consignee's request and that the necessary remarks on the delivery-sheet were allowed. However, sometimes demands were made for weighment of a portion of a large consignment booked under risk note A, which is held for "bagging old and torn, contents, dropping, etc." but they were not complied with, being not in conformity with booking conditions. The Railway Co. regretted that it was not possible to put up notices

of unclaimed memos as suggested, nor to reduce the wharfage charge from the present rate of 1 anna per maund per day.

Development of the Indian Mercantile Marine.

It was mentioned in the Report of the Committee for the year 1930—vide item No. 12--that they had enquired of the Government of India as to what action they proposed to take in pursuance of their undertaking to adopt measures for the development of Indian Mercantile Marine. The Government in reply forwarded to the Committee a copy of the interpellation in the Legislative Assembly on the subject, wherein in reply to a member they stated that, owing to the unfavourable political atmosphere, no purpose would be served by raising the question at that stage. They had at the same time assured that the Government of India had not modified their opinion that what they aimed at was a settlement by consent. They added that many important questions, in which British and Indian Commercial opinions were interested, would have to be discussed fully, as was evident from the deliberations of the Round Table Conference, and if they were approached in a spirit of co-operation agreement should be possible. The Government, therefore, expressed their reluctance to proceed with the question until it was clear that an agreed settlement could not be arrived at.

Mate's Receipts for Cotton shipments from Bombay.

The Underwriters' Association drew the attention of the Committee to the custom of qualifying Mate's receipts for shipments of cotton from Bombay with the remarks "Wrappers torn, hoops rusty, ends dirty," notwithstanding the fact that at the time of loading, the cotton was perfectly well-packed. However, on the shippers signing a letter of guarantee clean Bills of Lading were passed. The Committee felt that the practice was unsatisfactory. However on a reference to the Bombay Chamber of Commerce and the East India Cotton Association, they were informed that the practice had worked well and that no change was called for.

Particularly having regard to the East India Cotton Association's views, as representing the trade concerned, the Committee did not feel called upon to take any action in the matter.

Suez Canal Dues.

The Bombay Chamber of Commerce forwarded to the Committee on the 23rd April a copy of their letter to the Associated Chambers of Commerce of India and Ceylon regarding the necessity for reducing the dues levied on ships passing through the Suez Canal. It was pointed out that the level of charges tended to handicap the trade, and the profits, which the Suez Canal Company made, justified that a reduction should be made in the scale of charges so as to give some relief to shipping which was in a very depressed condition. The Bombay Chamber invited the Committee's co-operation in their efforts to secure a reduction in the Canal dues. The Committee in their reply dated 2nd May agreed with the claim put forward by the Bombay Chamber for a reduction in the dues and expressed their willingness to co-operate with the Chamber in any representation which may be sent to the authorities on this subject.

Rate cutting by the British India Steam Navigation Company.

A member of the Chamber drew the attention of the Committee to the following circumstances:—

The British India Steam Navigation Company's rate for transporting rice from Rangoon to Zanzibar, via Bombay, including landing charges at Zanzibar, 2 years back, was Rs. 35. In order to get relief from this heavy freight and to protect this trade, a shipper, chartered a steamer, when the steamship company brought their rate down to Rs. 17 and held out a threat that they would further reduce it to Rs. 12. The Committee in a letter addressed to the Government of India on the subject pointed out that such heavy fluctuations in rates were possible only through the existence of the pernicious system of "deferred rebates," against which the Indian

commercial community had time and often protested. As the steamship company was drawing substantial subsidies from the Government of India they suggested that Government should bring to bear pressure upon the company with a view to their abandoning such unfair tactics and maintaining fair and reasonable rates under all circumstances of the trade. Anyhow it should never be possible for the company to reduce the rate to a ridiculously low figure merely to wipe out *bona fide* shippers and ship-owners, and then again be free in the field to raise it arbitrarily.

International Convention on Load Lines.

On 25th May, 1931, the Government of India invited the views of the Committee on the question of the ratification by India of the International Convention respecting Load Lines, 1930. In consultation with their Shipping Sub-Committee they sent a reply on 18th September 1931, informing Government that they had no objection to India ratifying the above Convention. They, however, added that they were opposed to the reduction of the period of "Indian Summer." They also pointed out that the rigorous term as regards 'Tropical Period' applicable to international voyages should not be applied to national voyages. They further recommended that the Convention should not apply even to country crafts of more than 150 tons gross, as it would place such unnecessary burdens on this class of vessels as will drive them out of the trade.

The Tripartite Technical (Maritime) Advisory Committee.

On 22nd June, 1931, the Federation of Indian Chambers of Commerce and Industry forwarded a panel of the following two names for election of a representative of Indian Shipowners to the meeting of the Tripartite Technical (Maritime) Advisory Committee to be held in Geneva:—

Mr. M. A. Master, of Messrs. Scindia Steam Navigation Co., Ltd., Bombay, and Mr. Kaikobad Cowasji Dinshaw, of Messrs. Cowasji Dinshaw Bros.

The Committee at their meeting held on the 30th June 1931 resolved to cast their vote in favour of Mr. Master, and intimated the Federation accordingly.

Representatives of the Federation of Indian Chambers of Commerce and Industry on the Central Advisory Committee for Lighthouses.

The term of office of the present representatives of the Federation of Indian Chambers of Commerce and Industry on the Central Advisory Committee for Light houses having expired on 31st March 1931, the Committee were asked by the Federation to recommend three gentlemen for being nominated as their representatives on the Advisory Committee for a further period of 2 years. They suggested the namess of Messrs. M. A. Master, S. N. Haji and Kaikobad C. Dinshaw.

The Committee were subsequently informed that as a result of the election held by the Federation in this connection, Messrs. M. A. Master, S. N. Haji and C. Gopal Menon were returned as representatives on the Advisory Committee.

Indian Sailors' Home, Bombay-Representative of the Chamber on the Board of Management of.

The Government of India, Commerce Department, invited the Committee on 5th August, 1931, to nominate a representative of the Chamber on the Committee of Management of the newly opened Indian Sailor's Home, Bombay. Government were informed on 19th August, 1931 that Mr. M. A. Master, (Scindia Steam Navigation Co.) would represent the Chamber on that Committee.

Reduction of Rent for the Bombay Port Trust Tenancies.

On 20th August 1931, the Iron Merchants' Association forwarded to the Committee a copy of their application to the Bombay Port Trust for reduction of rent for the Port Trust tenancies by at least 20 per cent, with a request that the representatives of the Chamber on the Board of Trustees of the Bombay Port Trust should be desired to support their claim

for reduction. Accordinlgy the Committee, on 3rd September, 1931, instructed their representatives on the Port Trust to support the case of the Iron Merchants, when the matter came up before the Board.

The Committee were subsequently informed that the Port Trust were unable to accede to the demand for reduction.

Representatives of the Chamber on the Board of Trustees of the Bombay Port Trust.

The term of office of the Chamber's representatives on the Board of Trustees of the Bombay Port Trust having expired on the 31st March 1931, an election was held on the 9th March 1931 to elect the representative for a further period of two years, when the following gentlemen were elected:

1. Sir Purshotamdas, Thakurdas, Kt., C.I.E., M.B.E.
2. Mr. Vithaldas Damodar Govindji.
3. ,, Vithaldas Kanji.
4. ,, Lalji Naranji.
5. ,, Laxmidas R. Tairsee.

During the period of the temporary absence of Sir Purshotamdas Thakurdas from the Country, in connection with the Round Table Conference, Mr. Purshotam Jivandas represented the Chamber in his place.

The period of detention of V. P. Articles.

The attention of the Committee was drawn to the proposal to reduce the period of detention of V. P. articles from 10 days to 3 days, and to levy a demurrage on articles kept in deposit at the Post Office for more than 3 days. In a letter addressed to the Director General of Posts and Telegraphs, they pointed out that the change would adversely affect the interests of small traders, and, therefore, tend to make the V. P. system unpopular. As regards the proposal to levy a demurrage for detention of the

V. P. articles for more than 3 days, the Committee pointed out that at a time when the country was experiencing acute economic depression such a levy would amount to an additional taxation on small traders and thereby be a hindrance in the way of advantage being taken of the V. P. system.

The Director General in reply forwarded to the Committee a long Press Note dated 13th January, 1931, justifying the proposed changes on the ground that the present practice had led to Post Offices being converted into warehouses for the storage of articles coming by V. P. P. He also pointed out that in proposing a demurrage charge the Postal Department had not in view at all the increase in revenue that might result, but the change was prompted solely with a view to discourage the habit of allowing such parcels to be accumulated in the Post Offices.

From 1st August, however, the rules were revised and the period of free deposit of inland V.P. articles was raised from 3 to seven days. An extension of seven further days would be allowed on a written application from the addressee agreeing to pay demurrage at the rate of two annas per articles per day.

Free Transmission of Complaints against the Posts and Telegraph Department.

On 20th October, 1931, a member of the Chamber drew the attention of the Committee to the proposal of the Director General of the Posts and Telegraph to withdraw, from 1st January 1932, the concession of free transmission of complaints against the Post and Telegraph Department, under Clauses 46 and 47 of the Post and Telegraph Guide.

On 29th October, 1931, the Committee addressed a letter to the Director General, protesting against the proposal and pointing out that such a step would mean the prevention of information about many irregularities reaching the

proper authorities. The Committee added that, if the change was intended with a view to bring in additional revenue to Government, the authorities were bound to be disappointed, as with the cessation of the concession *bona fide* complaints as well as suggestions for reforms would automatically cease. They therefore suggested the continuance of the facility.

In a reply dated 23rd November, the Committee were informed that the Government did not propose to reconsider the matter.

Increase in Rates for Postal Parcels.

The attention of the Committee was drawn to the proposal of the postal authorities to increase the rates on postal parcels, from 20 tolas to 40 tolas in weight, from 3 annas to 4 annas, and a similar increase for every additional weight of 40 tolas or part thereof. The increases proposed amounted approximately to 33%. The Committee in a letter addressed to the Government of India pointed out that at a time of economic depression, from which the small traders were particularly suffering, this additional impost would bear heavily on them, and requested that the proposal should not be given effect to. The Government in reply regretted their inability to reconsider the matter.

Posting of Machine—Franked Articles.

Under the existing arrangements, machine—franked postal articles were allowed to be tendered over the counter at any post office, provided that the franking machine window ticket issued with the license was produced when the articles were posted. It was found that users of such machine generally posted their machine—franked articles at one and the same post office, which generally was the nearest one and therefore, the Director General of Posts & Telegraphs invited the views of the Committee on 31st July, 1931, to the proposal to restrict the posting of such articles at a particular post office to be named on the die. The Committee in their reply dated 14th August, 1931

informed the Director General that they had no objection to the change in procedure proposed.

Reduction in the Rental of the Bombay Telephone Service.

Under date 30th March, 1931, the Bombay Shroff Association forwarded to the Committee a copy of their communication to the Bombay Telephone Company urging a reduction in the rental of the telephone service. The Committee had in October last year received a similar communication on the subject from a member, and had passed on the same to the Hon'ble Sir Phiroze Sethna, KT., their representative on the Board of Directors of the Bombay Telephone Company, for the matter being taken up at the Board. The Committee in reminding Sir Phiroze Sethna of the previous communication sent to him a copy of the letter from the Shroff Association and requested that he should take up this question in the Board of the Telephone Company.

FINANCE, TARIFFS AND TAXATION.

The Financial Statement of the Government of India for the year 1931-1932.

On the 28th February Sir George Schuster, the Finance Member of the Government of India, presented to the Legislative Assembly the Budget of the Government of India for the year 1931-1932, which showed a net deficit, on the basis of the figures for the year 1930-31, of Rs. 17.24 crores. But he expected a reduction in expenditure of Rs. 2.73 crores, leaving the gap to be filled at Rs. 14.61 crores. From the proposals for new taxation outlined in the Budget he expected an additional revenue of Rs. 14.82 crores, thus allowing for a surplus of Rs. 31 lacs after meeting the deficit.

The Committee in commenting on the Budget proposals sent a telegram to the Finance Department expressing their fear, that the estimates of the Finance Member may not be realised in the absence of signs of trade depression lifting in the near future. They, therefore, urged the necessity for rigid economy.

1. They regretted that Government had not yet seen their way to reduce the heavy military expenditure for, even the small reduction of Rs. 175 lacs sought to be shown against the military expenditure was an attempt at window-dressing by spreading the programme of re-equipment.

2. They also thought that the provision for Sinking Fund was excessive, and suggested that in view of the extraordinary financial situation this year, this provision might be re-examined with a view to possible reduction.

3. They regretted the continued exemption of Sterling-securities from Indian Income-tax, and also suggested the discontinuance of the exemption at present given to salaries on leave and pensions of Indian Public servants in Britain from Indian Incometax.

4. They urged a reduction on salaries with a minimum of Rs. 250 at a progressive rate rising from 10 per cent. especially in view of the considerable fall in prices.

5. They held the view that the additional duty on Kerosine was a burden on the consumer and as such should be dropped.

6. They reiterated their objection in principle to the import duty on silver.

7. They struck a note of warning that the proposals in regard to raising of rates of Income-tax would have an unfavourable reaction on the general trade and industry. They particularly considered the increase from 5 pies to 9 pies on incomes between Rs. 2,000 and Rs. 5,000 too steep.

They, in conclusion, oberved that if their suggestions in regard to reduction of military and civil expenditure were accepted there would be no need for imposing new taxation on income, and that it would also be possible to give relief in the matter of some of the existing taxes.

Supplementary Finance Bill, 1931-32 & 1932-33.

On 29th September, the Hon'ble the Finance Member outlined before the Legislative Assembly, proposals for additional taxation, a summary of which is given below:

1. Import duty of six pies per pound on raw cotton.
2. Import duty of 10 per cent. on machinery.
3. Import duty of 10 per cent. on dyes.
4. Increase in Import duty on brown sugar from Rs. 6-12-0 to Rs. 7-4-0 per cwt.
5. Increase in Import duty on boots and shoes from 20 per cent. *ad valorem* to 20 per cent. *ad valorem* or four annas per pair whichever is higher.
6. Increase in Import duty on artificial silk yarn and thread from 10 per cent to 15 per cent *ad valorem.*
7. Increase in Import duty on articficial silk piecegoods, camphor and electric bulbs from 20 per cent to 40 per cent. *ad valorem.*
8. Surcharge of ¼th of existing rates on all Customs Imports including surcharges imposed by last Finance Act and also new duties except those on raw cotton, machinery and dyes.
9. Tax of Income between 1,000 and 1,999 at two pies in the rupee in current financial year and at four pies in the rupee next financial year.
10. Surcharge of ⅛th of existing rates of income-tax and super tax in current financial year and ¼th of existing rate in next nancial year.
11. Surcharge of ¼th on all existing Excise duties including Salt.
12. Increase in postage rates on all Inland letters and post cards by 50 per cent. that is, rate for ordinary inland letter will be one anna siz., pies and rate for ordinary post card nine pies.

On 4th November 1931, the Committee sent a telegram to the Government of India on the supplementary budget proposals expressing their dissatisfaction that Government had not given sufficient attention to the popular demand for substantial retrenchment in the Civil and Military expenses. They opposed the proposed duty on raw cotton, machinery and dyes, as the same would impose burdens on the industry of the country impending its progress. They also objected to the increase in the rates of tax on income, and particularly with regard to the lowering of the exemption limit to Rs. 1,000, as also the increase in postal rates and the tax on Salt. They sounded a note of warning that particularly in regard to the income-tax the Law of Diminishing Returns will begin to operate.

Economic and Financial Proposals of the Round Table Conference.

The Committee in consultation with the Finance Sub-Committee, examined the economic and financial aspects of the proposals of the Round Table Conference. They had before them Notes on the subjects prepared by Prof. Khushal T. Shah and Mr. N. M. Muzumdar. They found that it would take considerable time to get ready their detailed views on the various aspects of the question, and, therefore, felt that it would be necessary to issue a statement embodying their views in general on the implications of the proposals. Accordingly on the 27th February 1931 they issued a general statement as under.

" The Committee of the Indian Merchants' Chamber have considered the summaries of the Reports of the Round Table Conference and the declaration of policy of His Majesty's Government and statements by responsible British statesmen regarding the future Constitution of India. They are of opinion that the sum total of all these does not make any substantial advance of India towards Dominion Status inasmuch as the Reservations, Safeguards and Guarantees sought to be imposed are of a nature which will effectively restrict the exercise of responsibility. The Committee, at this stage, do not express any opinion on the basis, structure and component parts of the Constitution. Whatever the

form of the Constitution, the Committee are clearly of the opinion that the power and authority to make such provisions in the Constitution as may be necessary to ensure its stability and the credit of the country must vest in the Indian people themselves as they may well be expected to take all proper steps in that behalf.

Reservations.

With regard to the Reservations of the Departments of Defence and Foreign Affairs, the Committee are of opinion that the summary and complete exclusion of these Departments and all subjects included therein from the purview of the responsible Government of India would materially restrict the scope of that responsibility. They are particularly of opinion that the conduct of negotiations and conclusion of Commercial Treaties and Rights should rest with the responsible Government of India.

Safeguards.

With regard to the several Economic and Financial Safeguards sought to be imposed upon the future Government of India, the Committee consider that the net effect of all those Safeguards, if conceded, would amount to such a restriction of the Financial and Fiscal autonomy of the country as would render impracticable all projects of Financial reforms and National well-being. In particular the Committee hold that the right to prescribe the country's Standard of Value and the basis of Currency must rest exclusively with the Legislatiure of the country. They are clearly of opinion that the representatives of the country must be trusted to make such administrative provisions as may be necessary to give effect to such Laws. The Committee cannot agree that the institution of a Reserve Bank should be made a condition precedent and indispensable, as proposed at the Conference, for the exercise of that right on the part of the Legislature.

Guarantees.

In regard to the specific Guarantees proposed regarding equality of treatment to the commercial and industrial non-Indian interests

in India and in regard to any prohibition against legislation giving special advantage or facility to Indian Industry and enterprise, the Committee are emphatically of opinion that such Guarantees cannot be given without permanently barring the industrial and commercial development of the country. They have no doubt that the responsible future Government of India will, while fully protecting and promoting the interests of Indian Nationals in their Industry and enterprise, pay all due regard to the just claims of non-Indians engaged in industry or commerce in this country."

Statement in the House of Commons regarding "Financial Safeguards" by Rt. Hon'ble Mr. Wedgewood Benn.

The attention of the Committee was drawn to the remarks made by Mr. Wedgewood Benn, Secretary of State for India, in the course of a debate in the House of Commons, on March 12th, 1931, that the Financial Safeguards referred to in paragraph 18 and 20 of the Federal Structure Sub-Committee Report were essential and could not be abated. In a telegram addressed to His Excellency the Viceroy the Committee pointed out that the statement was inconsistent with the declaration of policy made by the Prime Minister on behalf of His Majesty's Government at the conclusion of the Round Table Conference, as also with the letter and spirit of Gandhi-Irwin settlement. They, therefore, felt that such statements from responsible authorities were likely to prejudice the peaceful atmosphere essential for an amicable settlement and urged that an early opportunity should be taken to dispel the impression created by the statement.

Prime Minister's statement regarding financial stability and credit of India.

The Committee at their meeting held on 30th, June 1931, considered the statement made by the Prime Minister in Parliament on 26th June 1931, regarding the financial stability and credit of India, and passed a resolution authorising the Finance Sub-Committee to consider the same in detail and to take any action thereon that they may feel advised. Accordingly the Finance Sub-Committee after

due consideration sent on 4th July the following telegram to the Private Secretary to His Excellency the Viceroy:—

" Committee Indian Merchants' Chamber have considered the statement made by the Prime Minister in Parliament on 26th June regarding the financial stability and credit of India. Any steps that may be taken for remedying the present extremely unsatisfactory condition of India's finances based on sound principle and in the interest of India and for increasing the resources and the purchasing power of the people would be welcome. They apprehend however that until details and conditions of the proposals of the Prime Minister are available it is difficult to realise fully their consequences whether political, financial or economical. The statement lends itself to more than one interpretation. Making due allowance for the prolonged world-wide trade depression and the political uncertainty referred to by the Prime Minister the Committee have no doubt that it will be admitted that the occasion for the Prime Minister's statement is the continuous depletion of India's gold resources owing to the present artificial exchange which in the opinion of my Committee is the root evil of India's present financial plight. Unless that is radically corrected there will be no improvement in India's financial and economic position. The circumstances which have led to the suspicion that India's credit abroad needs any external support are the direct outcome of the financial and exchange policy pursued hitherto. The conditions and limitations indicated in the statement might result in making the present financial situation an excuse for forcing financial safeguards and restrictions on the financial autonomy in the future constitution of India which will be emphatically resented by India. The Committee need hardly point out that so long as the present extravagant cost of administration continues even with the heavy decline in prices the evils mentioned above would be inevitable and they feel convinced that unless radical retrenchment in expenditure is effected immediately in all Departments of Government no financial stability can be assured to this country and no real support can

be given to its credit. If ignoring all these the British Government should still attend only to symptoms of the disease and afford support to India's external credit either by offering gold credits to the Government of India or other similar means the interests of India's credit would suffer very materially as it would add to the volume of the gold debt of India thereby accentuating India's Exchange difficulties. The relief indicated in the statement can at best be a mere palliative. The financial stability for which the Premier shows so much solicitude can only be secured by a revision of the exchange policy and substantial economies in administration, both repeatedly asked for by this Chamber."

Indo-British Settlement of Accounts.

On behalf of the Committee appointed by the Working Committee of the Indian National Congress " to carry out a scrutiny into the financial transactions of the East India Company and the British Government in India and the so called Public Debt of India, and to report on the obligations which should in future be borne by India or England," the Committee of the Chamber received a letter under date 8th April, 1931, from Mr. J. C. Kumarappa requesting them to forward by 25th April their views on this question. The Committee in their reply dated the 17th April regretted that it was not be possible for them to put forward a detailed statement in the time at their disposal but endorsed the principle of conducting an impartial enquiry by an International Tribunal into the obligations with which India had been burdened in the past, some of which were still outstanding. As an example they cited that a considerable portion of such obligations had been occasioned by wars and expeditions in furtherance of British Imperialist interest. An International Tribunal should examine as to the exact portions of such obligations which were justly chargeable to this country.

Sterling Loan of £ 10,000,000.

On 20th May, the Secretary of State for India issued a prospectus for a new Sterling Loan of £ 10,000,000 at 6 per cent. repayable in December 1933-34. The Committee sent the

following telegram to the Government of India, Finance Department, on the 22nd May:—

" Committee, Indian Merchants' Chamber, desire once more to record their emphatic protest against the continuance of the policy of foreign borrowing at high rates as is exemplified by the new loan of £ 10 millions at 6 per cent. They cannot, help reiterating that these borrowings have been rendered necessary on account of the impossibility of remitting funds to England at the statutory rate. Committee would like to point out that it is now six years since Government have, either by law or by offer to sell Sterling without limit of amount, tried to maintain the Rupee at 18d., yet in spite of the heavy sacrifices of Indian gold reserves, accentuated trade depression, monetary stringency and the catastrophic fall in the purchasing power of the people as a whole, the new ratio has failed to become effective. A ratio which cannot be maintained after six years of such enormous sacrifices stands condemned as wholly unsuited. Committee would like to detail the recent contractions of currency. All the Sterling securities in the Paper Currency Reserve have long since been dissipated in the futile attempt to bolster up a thoroughly unsound ratio. In addition Rs. 17 crores worth of gold in the Currency Reserves has been frittered away to keep the Secretary of State in funds. It should not be overlooked that these continued depletions of gold in the Paper Currency Reserve would make it impossible for Government to maintain full convertibility of Indian Currency into gold at the statutory rate. The Finance Member has always maintained that India is a privileged borrower in the London money market. We have been told that India's credit stands high because of the annual provision of a heavy sum for debt redemption. This alone imposes an intolerable burden of taxation of about six to seven crores a year. Yet it is significant that at a time when the world money market is so easy that the Bank rates on both sides of the Atlantic are not more than 2½ per cent., India is forced to pay a net charge of well nigh 6½ per cent. including underwriting commission for a temporary borrowing of three years. This is the inevitable

result of Government's obstinacy in attempting to maintain the 18d. ratio reckless of consequences. The evil of meeting revenue expenditure from Currency Reserves and Capital Borrowings cannot be too much emphasised. Committee are, therefore, of opinion that the time has now arrived for an independent enquiry into the suitability or otherwise of the statutory ratio."

Currency and Exchange—Linking the Rupee to Sterling.

On the 21st September, 1931, following the decision of Great Britain to break off the gold standard His Excellency the Viceroy issued an Ordinance exempting the Government of India from the obligation under the Currency Act of 1927 to sell gold or sterling. The same day the Secretary of State for India made a statement in the Federal Structure Committee of the Round Table Conference at London conveying the decision of Government to maintain the Indian currency on a sterling basis. 22nd, 23rd and 24th September, 1931, were declared as public holidays under the Negotiable Instruments Act to prevent anybody taking advantage of the situation orising out of the above decisions. On 24th September 1931 His Excellency the Viceroy issued another Ordinance, called the " Gold and Sterling Sales Regulation Ordinance." This Ordinance had the effect of repealing the previous Ordinance referred to above and regulating the sales of gold or sterling under section 5 of the Currency Act of 1927.

On 22nd September 1931 the Committee sent a telegram to the Government of India, Finance Department, protesting against the proposal to link the Rupee with Sterling which was depreciating and fluctuating violently in terms of gold, and suggesting that the Rupee might be left to find its own level. They pointed out that such a decision contravened the specific recommendation of the Hilton Young Commission, in that the Rupee must be linked to Gold to secure a true gold standard. On the 23rd September they also sent a telegram to the Government, urging the immediate-opening of Banks to allay public anxiety. If, however, in the opinion of Government it was considered necessary to prevent exchange business, they suggested that

the Banks should, in any case, be opened for ordinary business transactions. They also sent a cablegram to Mahatma Gandhi endorsing his protests before the Federal Structure Committee regarding Sir Samuel Hoare's statement.

A Public Meeting of the citizens of Bombay was held on Friday, the 25th September 1931, under the auspices of the Chamber, Sir Chunilal V. Mehta, K.C.S.I., presiding when the following Resolution was passed:—

(a) This public meeting of the citizens of Bombay expresses its strong and emphatic protest against the announcement made by the Secretary of State for India linking the Rupee to Sterling, which contravenes specific recommendation of the Hilton—Young Commission that the Rupee must be linked to gold to secure a true Gold Standard, and which purports to continue the disastrous exchange policy hitherto followed by Government. This meeting is of opinion that the Rupee must not be linked to Sterling but must be allowed to find its own natural level. This meeting conveys its respectful thanks to Mahatma Gandhi for his protest against Sir Samuel Hoare's statement and the way in which such important decisions are taken without any regard to the opinion of the Legislature or the commercial community.

(b) This public meeting of the citizens of Bombay expresses its grave apprehension that the Ordinance No. VII of 1931, by restoring Currency Act of 1927, will result in dissipating our Gold Reserves, and strongly protests against the contemplated gold sales which would result in the absorption of our Gold resources by a few-favoured Banks. This meeting further expresses its opinion that there should be no further reduction in our Gold Reserves.

The Exchange Position—The Higher Limit.

On 4th November, 1931 the Committee sent the following telegram to the Government of India, Finance Department re-

garding the present exchange position, with particular reference to the failure to fix the higher limit beyond which the Rupee in terms of Sterling may not soar:—

" Committee Indian Merchants' Chamber once again express emphatic protest against present Exchange policy. Present position is not only generally against Indian interests, but is deliberately vague, and leaves the business community exposed to all sorts surprises and vagaries, and the suspicion is now strengthened that such action is generally dictated from London. Exporters behind whom the Indian producer stands are to-day mystified at the posssible course of policy hereafter. Manipulation in regard Exchange in respect of import and export is going too far, and Committee cannot appreciate why Government should act as they are doing. Government have chosen to ignore warnings and protests. Will they be pleased now declare what they in their mistaken and irresponsible policy propose to do, particularly in respect of Sterling purchase at or under 1-6 3/16. In view of present situation, when the only certainty is that Government will not let Rupee go below 1-5 49/64, Committee cannot but point out that Government's profession of giving a stable Rupee to India becomes hypocritical, since no limit is fixed beyond which the Rupee in terms of Sterling may soar."

Exports of Gold—Embargo on.

The attention of the Committee was drawn to the reports regarding the exports of gold in considerable quantities as a result of the high prices for gold prevailing in foreign countries. The Committee on the 29th September sent a telegram to the Government of India, Finance Department, urging the imposition of an embargo on the exports of gold, as otherwise the high prices for gold obtaining in other countries would attract large quantities of gold and cause speculation and drain the country of its gold resources.

The Deflection of the Pound from Gold and Assessment of Customs Duty on Goods imported from Countries other than Great Britain.

Consequent upon the deflection of the Pound from Gold the Collector of Customs, Bombay, was reported to have a dopted a new procedure in regard to the assessment of customs duty on goods imported from countries other than Great Britain. This procedure was to convert the value of such goods into the currency of the country of origin at cross rates prevailing on the date of despatch of the goods and to reconvert this converted value into the Indian currency at the current rate of exchange. This process naturally involved considerable loss to merchants, and many complaints were received by the Committee objecting to this procedure. On 5th October 1931, they sent the following telegram to the Central Board of Revenue:—

"Local merchants put to great hardship on account of Customs Department charging duty not on invoice value but after converting in rupees or pounds into foreign currencies and reconverting into rupees. Committee Indian Merchants' Chamber suggest that invoices made out before 21st September in foreign currencies should be converted into rupees at rates prevailing before that date. The effect will be to treat equally all shipments arriving in Bombay at same time whether invoiced in foreign currencies or rupees. This should apply all transactions completed before 26th September though shipments may be coming later on presentation of proofs by merchants about genuineness of contracts. To obviate all difficulties Committee suggest all goods may be assessed at market value."

The Committee were subsequently advised that the Collector of Customs had revised his decision, and was assessing duty according to the usual procedure.

Foreign Suppliers and Sterling Contracts.

The attention of the Committee was drawn to the reports that following the suspension of the Gold Standard by Great Britain certain continental exporters were repudiating contracts, arranged on the old exchange basis i.e., when the Pound had a definite rela-

tion to Gold, and insisting that, if indents in respect of such contracts were to be executed, the importers here should agree to pay for the same in the currency of their respective countries or in gold. On 8th October 1931 the Committee wrote to the Indian National Committee of the International Chamber of Commerce, in the matter drawing their attention to the fact that the same amounted to an evasion of contractual obligations, and urging that in the interests of international trade steps should be taken to secure the fulfilment of all such obligations. The Committee were advised that the Indian National Committee had taken up this matter both with the Government of India and the International Chamber.

The following Press communique dated 24-10-1931 was received from the International Chamber of Commerce:—

" The Council of the International Chamber of Commerce at its meeting on 23rd October discussed the question of the difficulties raised in the execution of contracts made in £ sterling owing to the temporary abandonment of the gold standard by Great Britain.

The Council took no decision in view of the necessity of respecting the full independence of the Court of Arbitration of the International Chamber. This Court of Arbitration remains at the disposal of businessmen, whether or not members of the International Chamber, to settle equitably and as expeditiously as possible all international commercial disputes either by the Conciliation Procedure or by Arbitration."

Bombay Retrenchment Committee.

On 27th July 1931 the Bombay Retrenchment Committee invited the Chamber to send their views on the questionnaire prepared by them. The Committee in their reply dated 28th August, 1931 informed the Retrenchment Committee that, looking to the financial condition of the Presidency, measures of a radical nature would have to be adopted, and they, therefore, felt that the questionnaire set up was not in any way adequate for the

purpose. Different questions in the questionnaire touched but the fringe of the problem and did not go to the root and the fundamentals of the situation. The Committee did not, therefore, think it necessary to reply to the questionnaire seriatim, and made a general statement that even if much of the retrenchment referred to in these questions was carried out it would not put the financial condition of the Presidency on a sound footing; nor would it provide ways and means whereby the heavy deficits expected during the coming years could be met with.

They also observed that the number and personnel of Government servants, their scale of salaries and allowances and the whole basis of administration should be critically reviewed to bring down the expenditure well below the revenues provided by the existing sources. The Committee expressed a fear whether under the present system of Government such radical changes would be possible, although, if they were not, there would be little reason to expect the wide gap betqeen the resources and disbursements to be bridged.

Claims of Holders of Russian Roubles.

It was reported in the proceedings of the Committee for the year 1930 (vide item No. 62) that in pursuance of a Press Communique asking holders of Russian Roubles to register their claims, the Committee had enquired of Government the possibilities of such claims being met in future. The Government of India after consulting the Secretary of State informed the Committee that it was the intention of His Majesty's Government to submit claims for rouble notes and rouble claims for the consideration of the Anglo-Soviet Debts Committee, and that it was in that connection that Indian claimants were asked to register their claims with the local Governments. The reply added that any such action did not imply that such claims would necessarily be satisfied and that it was too early to make any forecast about the probable result of the negotiations with the Anglo-Soviet Debts and Claims Committee.

Imperial Bank and advances against Government Securities.

The Committee were given to understand that the Imperial Bank of India had issued a circular to the different banks to the effect that they would require evidence that any money lent by them was for the furtherance of genuine trade and that advances could not be obtained even against Government securities unless and until they were satisfied that such advances were for trade purposes. The Committee addressed on the 7th November a letter to the Managing Governors enquiring of them whether such a circular had been issued and if so how far the same would come in the way of genuine advances being made to business people. On the 17th November, the Managing Governors replied to the effect that it was not their custom to discuss the Bank's business with third parties. On 18th December, the Committee addressed a latter expressing surprise that a simple request for information such as contained in their letter should have provoked such a reply. They pointed out that as a Chamber of Commerce they had to safeguard the interests of the business community, who were affected by the said circular, and that in doing so they could not be considered to be exceeding their natural functions or as third parties. They added that they feared that undue restrictions of credit would depress commodity prices and wanted to be reassured in the matter. They pointed out that as Bankers to Government, the Imperial Bank owed some responsibility towards a central association like the Chamber. In conclusion they desired that the whole correspondence should be placed before the Central Board of the Bank for being considered and for such information as the Board may decide being made available to the Chamber.

List of Parties from whom Government purchase Sterling.

On 19th November, 1931, the Committee sought information of the Controller of the Currency whether on the list of approved parties from whom Government purchase Sterling there were any Indian Banks or firms. In his reply dated the 30th November, the Controller informed the Committee that there were several Indian Banks

on the list, and that, as regards firms, none had been added to the list, since the passing of the Currency Act of 1927, and all applications by firms, European and Indian, had been rejected, since 1927.

On the 19th December 1931, the Committee pointed out to the Controller that from his reply it was not clear whether there were any Indian firms on the list, and enquired why no new firms had been added since 1927. The Committee pointed out that the restriction was against the interest of Government themselves, as Government may be able to get better rates if there were a larger number of tenderers.

Abatement of Duty on Damaged Goods-Amendment of Section 34 of the Sea Customs Act.

Under Section 34 of the Sea Customs Act, claims for abatement of duty on goods damaged " before delivery of the bill of entry " were allowed. A member of the Chamber drew the attention of the Committee to the following circumstances under which he was denied the relief contemplated under the section by a too technical interpretation of the section.

A lighter conveying cloves belonging to him sank on account of a rough sea, and the cloves were subsequently salvaged. But prior, however, to the accident the Bill of Entry for the consignment had been delivered for noting. The claim for abatement of duty was turned down on the technical plea that the deterioration of the goods happened after the Bill of Entry had been handed over for noting.

The Committee in a communication on the subject to the Central Board of Revenue pointed out that the Customs award, though within the four corners of the section, could not be considered to be in consonance with the idea of abatement of duty on deteriorated goods. It would seem that the consignee was to be penalised, at least in the case referred to above, for his anxiety to finish the Customs formalities as early as possible. The Committee, therefore, urged that the section be amended to remove such anomalies.

The Central Board of Revenue replied that they had already before them a proposal to amend the section so as to enable the consignee to claim relief for damages suffered at any time while the goods were not in his custody, and that the same would be incorporated in the proposals for a general revision of the Act which were before the Government.

Commercial Treaties with Foreign Powers.

At the Third Quarterly General Meeting of the Chamber, held on 26th October, 1931, the following resolution was passed:—

> "This Chamber recommends to the Government of India that they should consult Commercial Associations in India previous to their entering into commercial treaties or conventions on behalf of India with any Foreign Power."

In communicating this resolution to the Government of India, reference was made to the correspondence which the Chamber had carried on with Government in 1921-22, and again in 1929, urging upon them the desirability of inviting the opinion of the Indian commercial community before finally ratifying treaties with foreign countries. One of the reasons advanced by Government in the past, justifying their refusal to invite commercial opinion before the ratification of such treaties, was that "as at present constituted the Indian tariff was based on revenue considerations, and the question was, therefore, purely hypothetical." It was pointed out that since then the fiscal policy of Government had undergone a good deal of change, and many of the duties, which were formerly revenue duties, had come to be converted into protective duties. The negotiations, therefore, in future of commercial treaties with foreign powers, it was urged, would more and more affect commercial interests, and Government would no longer be justified in refusing to take the commercial opinion into confidence at the time of entering into such treaties in future.

Prohibition of imports of rice into India.

It was brought to the notice of the Committee that Japanese rice was being imported into India recently, and in a representa-

tion addressed to the Government of India on 14th May they pointed out that, if no steps were taken to prevent these imports, it would become a menace to the agriculturists. They observed that these imports into a country like India—essentially a rice growing country—where there was a good exportable surplus-could never take place as a result of normal and natural economic conditions, and could not be the result of regular mercantile transactions. Such imports thrown into the market at a price below normal had the result not only of displacing an equivalent quantity of Indian rice from the market, but of reducing the final economic yield to the cultivators in accordance with the economic proposition, that the marginal supply dominates the price of the bulk. They also pointed out that the Japanese Government was fostering the exports of rice from their country regardless of costs, even at rates which did not cover the cost of production. They, therefore, urged that, to protect the Indian cultivators from the effects of such imports, Government should take legislative measures prohibiting the imports of rice into the country.

The Government in reply pointed out that the figures of imports of rice did not justify the view that such imports were a source of danger to the indigenous rice trade and that they were not convinced that there was any need for such an embargo.

Protection to the Electric Cable and Wire Manufacturing Industry.

On 11th May, 1931, the Government of India, Commerce Department issued a press communique, referring the application for protection, from the Electric Cable and Wire Manufacturing Industry, to the Tariff Board for enquiry. In this connection, the Indian Chamber of Commerce, Calcutta, forwarded to the Committee a copy of their communication to the Government of India, opposing the grant of protection to the industry. The Committee had also before them a copy of the case prepared by the Indian Cable Company, Ltd., the only company engaged in the industry for protection.

The grant of protection was opposed by the Indian Chamber of Commerce, Calcutta, on the grounds, *inter alia*, that the concern was

non-national in character, that a large percentage of its capital was foreign, that its directorate was predominantly non-Indian and that its management was entirely foreign. The Chamber contended that any protection to such a concern would make its position entrenched, consequently excluding the possibility of national concerns engaged in the industry springing into existence.

On the other hand, the Company in its application for protection, contended that there was a fair proportion of Indian capital in its ordinary shares, that most of its departments were in charge of Indians, that it gave employment to a large number of Indian labour and that it gave opportunities for Indians for training regarding the technique of the industry.

After considering the matter in all its aspects, the Committee decided not to support the claim of the Company for protection, nor to send any communication in the matter to the Tariff Board.

Classification of Hosiery in the Seaborne Trade Returns.

In March 1930, the Committee had, at the instance of the Gujarat Hosiery Factory, suggested to the Director General of Commercial Intelligence and Statistics the necessity for classifying Woollen Hosiery under the following three heads:—

Stockings and Socks,

Underwear,

Other sorts,

in the Seaborne Trade Returns, just as in the case of cotton hosiery. This amplification, it was pointed out, would enable local producers to adjust production to the demand, as indicated by the imports. The Director General promised to consider the suggestion at the time of the general revision of classifications in 1931.

On 12th January 1931, the Committee reminded him of the promise, and he replied on the 28th April 1931, that owing to limited staff and the delay that would ensue in the publication of the Return

by such changes, it was not possible to accept the suggestion. Thereupon the Committee enquired on 7th May 1931, whether it would at least be possible to furnish the amplified information regarding hosiery a month later without affecting the publication of the Return in time. The Director General replied on 18th May 1931 that it would not be feasible for his department to arrange for the supply of such statements, but suggested that the Collectors of Customs might be requested to obtain these statistics on payment.

On a reference since to the various Collectors of Customs all of them regretted their inability to supply the information.

Recommendations of the Hide Cess Enquiry Committee.

The Government of Bombay invited the views of the Committee on the recommendations of the Hide Cess Enquiry Committee. Immediately the recommendations of the Committee were published, the Committee had in a letter to the Government of India, made among others, the following suggestions:—

1. That the export duty should be increased from 5% to 10%
2. That the proposed cess should be fixed at 2% instead of 1.
3. That the tanners should have on the Committee suggested to administer the cess equal representation with the other interests proposed to be represented.

The Committee reiterated their above views in reply to the letter from the Government of Bombay.

Assessment of Artificial Silk Mixed Piecegoods.

The attention of the Committee was drawn to the instructions issued by the Central Board of Revenue, on the subject of Classification of Artificiall Silk Mixed Piecegoods, under which import duty on piecegoods, in which artificial silk yarn was interwoven through more than one-fifth of the superficial area of the fabric, was reduced from 20% to 15%. Before the passing of

the Cotton Industry Protection Act, picegoods of the above description were assessable at 15% i.e., at the rate of import duty on artificial silk. But subsequent to the Act and prior to the instructions referred to above, mixed piecegoods of the above description were assessed at 15%, if of British origin, and 20% for Non-British. The revised instructions fixed the duty at 15% both for British and non-British, i.e., the rate of duty which was in force prior to the Cotton Industry Protection Act. The Committee drew the attention of the Central Board of Revenue to the fact that the above change took away from the indigenous mixed piecegoods of the above description the protection afforded to them under the Cotton Industry Protection Act. The object of that Act was to protect indigenous cotton manufactures from the heavy non-British competition both from the cotton as also from the mixed piece-goods. The revised instructions practically nullified the object of the Cotton Industry Protection Act, by taking away the higher duty on artificial silk mixed piecegoods. They further pointed out that it was anomalous that goods containing more than one-fifth artificial silk should be assessed at a lower duty than pure cotton goods; for the reduction in duty would enable such mixed piece-goods to be sold at a cheaper rate than finer cotton goods made in the country. They, therefore, urged that the above anomaly should be removed as early as possible.

Drawback of Customs Duty on Sugar use in the manufacture of Confectionery exported from India.

It was represented by the Committee in 1928 that drawback of the import duty should be allowed on sugar, used in the manufacture of confectionery exported from India, as was the practice in Engand and other countries. The Government of India in reply had informed the Committee that they had before them proposals to amend the Customs law so as to allow the drawback of duty paid on raw materials used in the manufacture of exported goods. In a letter dated the 6th March 1931, the Committee again reminded Government of this assurance and in a reply dated

the 21st April 1931 Government of India informed the Committee that they were prepared in suitable cases to anticipate the proposed amendment of the Sea Customs Act in a manner which would make it possible to allow drawback of duty paid on raw materials used in the manufacture of exported goods. The Government reply, however, added that it was impossible to lay down general rules and that each case should be considered on its merits. They would therefore, be prepared to consider applications for the concession from manufacturers of Confectionery, if such manufacturers would apply direct to the Central Board of Revenue, stating the extent of their business and other necessary particulars.

Import duty on Silver Nitrate.

Following the increase in import duty on silver from 4 annas to 6 annas per oz. effected this year, a member of the Chamber drew the attention of the Committee to the necessity for a proportionate increase in the duty on Silver Nitrate, as otherwise manufacturers of the chemical in the country would be adversely affected. Silver was one of the important raw materials used in the manufacture of Silver Nitrate, and as the increase in duty on the same would increase the cost of the local manufacturers of Silver Nitrate, and to that extent place the importing competitors at an advantage, the Committee in a letter addressed to the Government of India, Commerce Department, on the 12th May 1931 suggested the desirability of making a corresponding increase in the duty on Silver Nitrate. Incidentally they added that this would bring in additional revenue to Government. The Government of Inida, in reply, forwarded a copy of their Resolution, No. 38-T (2), Department of Commerce, dated 28th March 1925, which is reproduced below. The Resolution embodies the decision of Government to refer to the Tariff Board cases in which the development of certain industries in the country were " hampered by the fact that the duty on the finished article was lower than the duty on the materials which had to be imported for the manufacture of that article."

Resolution No. 38-T. (2) dated 28th March 1925.

" The Government of India have received a number of representatitions of the effect that the development of certain industries in India is hampered by the fact that the duty on the finished article is lower than the duty on the materials which have to be imported for the manufacture of that article. A list of such representations is appended to this Resolution. The representations will now be referred to the Tariff Board. It is requested to examine these representations and any others of a similar nature which may be brought to its notice and to make such recommendations, whether general or special, as it thinks fit.

2. Firms or persons interested in the above enquiry should address their representations direct to the Secretary of the Tariff Board."

Import duty on Printing Types.

On 5th May 1931, the Committee received a communication from a member regarding the necessity for increasing the duty on printing types, in consequence of the increase by 5 per cent. in duty on the raw mterials used in manufacturing types, viz., Antimony, Lead, Tin, etc. The Committee, in consultation with their Industries Sub-Committee, considered the point raised, and felt that manufacturers of types in the country would, to the extent of the increase in duty on raw materials, be adversely affected. In the meanwhile, they received from Government a copy of the Resolution, No. 38 T (2), Department of Commerce, referred to above, and accordingly advised the member concerned on 18th June to place the case before the Tariff Board.

Changes in the Tariff Classification.

On 12th August 1931, the Director General of Commercial Intelligence and Statistics invited the views of the Committee on the proposal,

1. to fix tariff values under statutory item No. 88 for chlorate of potash, naphthalene balls and tartaric acid; and

2. to amend the head, "Dammer Batu " by the addition of the word unrefined.'

After consulting members interested in the trade, the Committee replied on 18th September that as regards

1. they would like the present practice of assessment on real values to be continued, as frequent, fluctuations to which the prices of those commodities are subjected would make it inadvisable to fix a tariff value for the whole year.

and that as regards

2. there was no need to differentiate between refined and unrefined " Dammer Batu ", as very little of the unrefined quality was imported.

Tariff Classification of Carnauba Wax.

Under the existing tariff classification Carnauba wax is assessable to duty on the tariff value fixed for vegetable wax under statutory item No. 77 in the Tariff Schedule. Carnauba wax, however, was much costlier than the ordinary vegetable wax and its inclusionin the tariff head made the price range too wide for a single tariff value. Therefore the Director General of Commercial Intelligence and Statistics on 18th July 1931 invited the views of the Committee on the proposal to exclude carnauba wax from the existing head under item No. 77 and make it assessable on its real value. The Committee in their reply dated 12th August, after having consulted members interested, informed the Director General that they had no objection to the proposed change.

Annual Revision of Tariff Values.

The Director General of Commercial Intelligence and Statistics forwarded to the Committee a copy of the provisional tariff values for articles bearing fixed values in the import tariff schedule for the year 1932, and informed them that he would be prepared to meet representatives of the Chamber to discuss these rates on 27th November. The Committee authorised the Import-Export Sub-

Committee to discuss the matter with the Director General, after obtaining the views of the merchants interested in the various articles. Accordingly the Import-Export Sub-Committee discussed with the Director General on the said date the suggestions received from the various members on the provisional rates. Some of the suggestions were accepted by the Director General, and some he promised to consider.

Annual Revision of Tariff Values of Hides and Skins.

On 21st October, 1931, the Director General of Commercial Intelligence and Statistics sent to the Committee a list of the provisional tariff values proposed for hides and skins for the year 1932, and invited their views on the same. The values proposed were the same as for the current year. The Committee, after consulting the interests concerned, sent in a statement of the changes, which, in their opinion, were necessary in the values fixed.

The Indian Income—Tax (Second Amendment) Bill.

The Government of Bombay invited on 5th May, 1931 the views of the Committee on the Bill introduced in the Legsilative Assembly in March Last by the Finance Member of the Government of India, to amend the Indian Income-tax Act. Under the Indian Income-tax Act (1922) liability to tax mainly depended on the origin of the income and the place where it was received. Income received outside British India is not, under the Act, liable to Indian Income-tax, unless the same is derived from business and is remitted to British India within three years from the end of the year in which the income is received. The effect of this feature of the law, Government pointed out, offered an inducement for the investment of money abroad, which might otherwise be invested in India, and also incidentally reduced Indian revenue from Income-tax. It was sought by the provisions of the Bill to amend the law so as to make residence the main basis of liability, while still retaining the origin and remittance into British India as the basis of liability in certain circumstances.

The Committee, in consultation with their Income-tax Sub-Committee, examined the provisions of the Bill, and sent their views as under to the Government of Bombay on 5th August :

The Committee were in agreement with the principle of taxing foreign income, but in the Bill, as drafted, there were discriminating provisions which sought to differentiate between a person both resident and domiciled and a person who is only a resident. Under Cluase 4, the main operative section of the Bill, it was provided that tax should be levied on the income earned outside British India by a person, who is both a resident and domicield in British India, whether that income is brought into British India or not; whereas in the case of the foreign income of a person, who is a resident in British India, but not of Indian domicile, the same was liable to tax only in so far as it was brought into, or was received in, British India. The Committee pointed out that the distinction proposed was extremely invidious and tended to be a direct discouragement to people acquiring British Indian domicle. They, therefore, suggested that residence should be made the uniform basis of liability to tax, and urged the amendment of the section a so as to do away with the distinction as between domicile and residence.

They further suggested that for purposes of this amendment Indian States should be exempted from the operation of the same, and that the whole of geographical India might be treated as one as against countries abroad.

They also pointed out the necessity for enlarging the scope of section 49 of the Act, which dealt with Double Taxation.

Under Clause 6 of the Amending Bill it was sought to exempt from Income-tax salaries of Government servants who were on leave in foreign countries. The Committee considered that Income-tax should be levied on all such salaries, which were paid in this country, and which accrued or arose in this land.

In this connection, they also reminded the Government of India of the promise made by the Hon'ble the Finance Member in his bud-

get speech for 1929-30 for allowing the taxpayer to carry forward losses of the past years to subsequent years and to claim a set-off of the same against his future income and urged that the amendment of the law in this direction be mae at an early date.

The Indian Income-Tax Rules.

On 12 September 1931 the Central Board of Revenue issued a Notification proposing to amend Rule 436A of the Indian Income-tax Rules and inviting the views of the Committee on the draft amendment. The amendment consisted in the substitution for Rule 36A of a modified Rule. Under the Rule, as it stands, applications, for refund of income-tax by a person, not resiednt in British India, under Section 48 of the Act., must be attested by a Justice of the Peace or other recognised officer. Under the Rule, as proposed to be amended, such a sworn declaration would ordinarily be required only when the application was being made for the first time: subsequent applications need only be accompanied by a declaration by the applicant referring to his previous application. The Committee on 8th October, 1931 informed the Central Board of Revenue that they had no objection to the amendment.

Indian Income-Tax Act-Deduction of Bad Debts from the Income of an Assessee.

(Vide Item 69, Annual Report for 1930.)

It was mentioned in the Annual Report for the last year that the Committee had represented to the Central Board of Revenue the necessity for amending the Income-Tax Act so as to provide for the deduction of bad debts from the income at the time of assessment. The Central Board of Revenue in their reply admitted that such deduction was legal though there was no specific mention about the same in the Act, because it would be difficult to compile a complete list of admissiable deductions. The reply further pointed out that even if the Act made specific mention of such deductions, it would still be a question of fact, whether a particular debt was bad, and, if so, when it became so, and that, in regard

to such matters, the assessing a officer should be the" judge" subject to the appellate and revisional provisions. The Government, however, invited the Committee to suggest in detail the nature of the amendment of the Act which they considered desirable. The Committee suggested that the addition of the following sub-clause to clause 2 of section 10 of the Indian Income-Tax Act would meet with the requirements of the case:—

" V(a) in respect of loss arising out of bad debts in the year in which they are written off in the account as irrecoverable."

Evasion of Income-tax.

In the November session of the Legislative Assembly, a member from the European group made an allegation that there was considerable evasion of income-tax, and suggested that steps should be concerted to prevent the same. In this connection a letter dated 5th December was received from the Commissioner of Income-tax Bombay, inviting representatives of the Chamber to meet the Hon'ble the Finance Member early in January to discuss with him the question of evasion, and to afford him such information regarding such evasion. The Committee replied on the 23rd December 1931 to the effect that they were not aware of any such evasion, that provisions of the Income-tax Act were comprehensive enough to deal with evasion, if any, and that as they had no information to give in the matter they were not deputing any representatives to meet the Hon'ble the Finance Member.

Depreciation allowance on machinery working double shift under the Income-tax Rules.

At the instance of a member, the Committee suggested to the Central Board of Revenue to amend Rule 8 of the Indian Income-tax Rules so as to permit double depreciation allowance on machinery working double shift. The rate of depreciation allowed at present was 5%, but in view of the fact that at present many Mills in Bombay and Ahmedabad were working double shift it was urged that the rate of depreciation should also be doubled.

In reply the Committee were informed that the matter was already under consideration of the Government and that certain departments were being consulted on this subject.

The Committee also forwarded a resolution on the subject for being moved at the last Annual Meetings of the Federation of Indian Chambers of Commerce and Industry.

On 15th May, the Central Board of Revenue forwarded a memorandum embodying the Board's views on the point raised. The Board said that they were not prepared to recommend any concession in the direction for the reasons, among others, that running hours were " a very unimportant factor from the point of view of wear and tear compared with the age of the machine." and that there was no precedent for any such arrangement in the United Kingdom.

The Committee were unable to agree to the view, that running hours did not contribute substantially to the deterioration of the machinery, and to enable them to put up a strong case they addressed the Bombay Millowner's Association on the 4th June for the views of that body. The Bombay Millowners' Association in reply opined that it would be difficult to make out a case for the allowance of double depreciation, that as double shift working was spasmodic there would be practical difficulties in keeping record of such working and that, per contra, the industry would have to be satisfied with less depreciation when shorter hours were worked. As the Committee were unable to agree with the views of the Millowners' Association, they invited the views of the Ahmedabad Millowners' Association, who agreed with the Committee that extra depreciation should be allowed for overtime running.

On 11th December, 1931, in pursuance of the resolution passed at the last General Meeting, the Committee again addressed the Central Board of Revenue urging them to reconsider the matter. They pointed out that the reason that there was no precedent in the United Kingdom for such a concession was not relevant inasmuch as the English Textile industry had at no time worked double shift. They quoted various authorities advocating recourse

to double shift working and requested that Government should encourage the same by accepting the principle of extra depreciation or overtime running.

Exemption of Investment Companies from Company Super-tax.

The Government of India, Central Board of Revenue, invited the views of the Committee on 25th May, 1931 on the following draft Notification proposed to be issued by them in connection with relieving investment companies from paying company super-tax on so much of their income as was derived from dividends paid by another company out of profits which had already become liable to company super-tax.

" In exercise of the powers conferred by section 60 of the Indian Income-tax Act, 1922 (XI of 1922) the Governor General in Council is pleased to exempt from super-tax so much of the income of any company as is derived from dividends paid by any other company which has paid or will pay super-tax on the profits from which such dividends are distributed. If the company receiving such dividends is a company having for its principal business the making of investments in and regularly dealing in the shares or debentures of other companies, or any other securities and is not a company formed for the purpose, or otherwise transacting the business of acquiring or excercising control over any other company or group of companies or enabling any other persons to exercise or acquire such control provided that this exemption shall not apply to any company more than 50% of the assets of which consist of shares in or debentures of any other company, or which holds more than 50% of the shares or debentures of any other company."

The Committee in their reply dated 5th August, 1931 welcomed the proposal of Government to relieve investment companies from payment of company super-tax in the manner referred to in the Notification, but could not agree to the restriction contemplated in the proviso, viz., to exclude from the concession such companies which had more than 50% of their assets in shares or debenture

of any other company, or which held more than 50% of the shares or debentures of any other company. They, therefore, requested that the restriction contemplated in the proviso should be done away with.

Liability of Dock Delivery Orders to Stamp Duty.

Under the existing practice, Delivery Orders in respect of cargo from transit sheds and yards,as also goods stored in Duty Paid Warehouses, are accepted by the Bombay Port Trust without requiring the party taking delivery to affix an anna stamp. The Bombay Port Trust drew the attention of the Committee in a letter dated 15th August to article 28, schedule I, of the Stamp Act which reads as under:—

> DELIVERY ORDER IN RESPECT OF GOODS, that is to say, any instrument entitling any person therein named, or his assigns or the holder thereof, to the delivery of any goods lying in any dock or port, or in any warehouse in which goods are stored or deposited on rent or hire, or upon wharf, such instrument being signed by or on behalf of the owner of such goods upon the sale or transfer of the property therein, when such goods exceed in value twenty rupees. Stamp duty: one anna.

It would appear that Delivery Orders, involving a sale or transfer of the property, are liable to stamp duty under the article. In the ordinary course there were such Delivery Orders issued on the Port Trust, effecting such a sale or transfer of goods, as in the case of Delivery Orders issued by a Bank after a purchaser had retired a draft. As the Port Trust were not in a position to distinguish Delivery Orders involving such transfer from the rest, they consulted their solicitors as to how the difficulty could be met. They were advised the non-compliance with the requirements of the Stamp Act would prejudice their interests as bailees, in case any dispute arose, and that all Delivery Orders, except those drawn in favour of the owner or his agent, should be required to be stamped.

The Port Trust invited the views of the Committee on the point

raised, and on the suggestion to get all Delivery Orders stamped-involving a departure from the established practice. The Committee in their reply dated 29th August, 19231 informed the Port Trust that they were opposed to any chage in the existing practice that, looking to the present condition of the trade, any additional burden, however small, on the trade should be avoided and that the Board of the Port Trust should find adequate ways and means of meeting the technical difficulty in regard to the requirements of the Stamp Act, without making such Delivery Orders liable to stamp duty.

Rules regarding Refund of Town Duty by the Bombay Municipality.

The attention of the Committee was drawn to certain amendments in the Rules in respect of payment of refund of town duties claimed under section 195 (2) of the Bombay Municipal Act. The principal change was in respect of rule 13 (1) which is reproduced as under:—(The words underlined were deleted by the amendments and those in brackets are the addtitions.)

Rule 13 (1):—(On receipt of the documents the Supervisor) The Supervisor shall compare all the documents presented to him, and if the particulars contained therein do not correspond or the said are incomplete in any respect or contain any erasures or alterations he shall return, the same to the Exporter, but if the said documents are in order, he shall with stamps mark one copy of the export note " original " and the other " duplicate " and shall register the export note in a register to be kpet for the purpose in such form as the Commissioner may from time to time prescribe, and shall note the Register No. and the date of registration on all the three documents and initial such note."

There were also amendments in rules 13 (2), 19 (1), (4) and (5). All these amendments were to the disadvantage of the com-

mercial community. The Committee, therefore requested their representative in the Bombay Municipal Corporation to move a resolution in that body, with a view to getting all those rules amended to their former form.

Establishment of a Rating Tribunal for Bombay.

On 2nd July 1931, the Bombay Millowner's Association invited the views of the Committee on their proposal regarding the establishment of a Rating Tribunal to investigate and deal with assessments and appeals in connection with property taxes. On 16th July the Committee replied to the effect that they agreed with the Association that the present procedure followed with regard to the assessment of hereditaments, other than inhabited houses, was faulty, that a Rating Tribunal should be established to set matters right and that they were willing to support their proposal if the same was placed before the Municipal Corporation.

The Proposed Municipal Export Cess on Cotton.

In 1930, when the Bombay Municipality first made their proposal to Government to enable them to levy an export-tax, 4 annas per bale, on cotton, the Committee of the Chamber sent in their protests to the Government of Bombay, pointing out that the same would prejudicially affect the trade of Bombay. This year the Corporation, notwithstanding the objections received from almost all quarters, applied to the Government for sanction to the proposal. The Committee in reiterating to Government their opposition to the duty, pointed out to the disastrous effect it would have on the trade of Bombay. They sounded a note of warning, that the step would tend to divert the trade of the port, and the economic set-back to the trade of the city would have its repercussions on the revenues of the Municipality also. They, therefore, appealed to Government to reject the proposal of the Municipality.

TRADE AND INDUSTRIAL LEGISLATION.

Indian Partnership Bill.

The Government of Bombay invited on 26th March 1931 the views of the Committee on the Bill to define and amend the law relating to partnership, introduced in the Legislative Assembly. The provisions of the Bill were on the lines of the English Partnership Act of 1890, and the Committee were in general agreement with the same.

The most important change effected by the Bill related to the registration of firms. A firm may be registered by signing the statement by all the partners, and verifying it in the manner prescribed, giving therein the name of the firm, the principal place of business, names of branch offices, the date when each partner joined the firm, the names and permanent addresses of the partners and the duration of the firm, and sending the same to the Registrar. The consequences of non-registration were:—

(a) No person, being a partner, could file a suit against the firm or any person alleged to be a partner therein, unless the firm was registered, and the person so suing was shown in the Register as a partner. But notwithstanding non-registration a partner might sue for dissolution of a non-registered firm or for accounts.

(b) No suit could be filed by a firm against any third party to enforce claim arising from contract, unless the firm was registered.

It was thus evident that under the Bill the non-registration of a firm imposed upon it a disability to sue third parties to recover its claim against the latter arising out of a contract.

The Committee pointed out (in a letter dated 17th July 1931) that such a provision would be detrimental to the interests of the commercial community, and would prevent capital from being made available to small firms in their adventure. Though in the Statement of Objects and Reasons attached to the Bill it was stated that

the registration of a firm was optional, the disability resulting from non-registration, as pointed out above, was against the interest of the commercial community and therefore indirectly tended to make registration almost compulsory. The Committee, therefore, suggested that registration of a firm should be made optional and that no disability should attach to a firm for non-registration.

City Civil Court Bill.

On 16th June, 1931, the Government of Bombay invited the views of the Committee on the Bill published in the Bombay Government Gazette in connection with the establishment of a City Civil Court in Bombay. The Bill proposed to enable the Government of Bombay to create a new court for the disposal by regular procedure of suits and proceedings arising in the City and Island of Bombay, the subject matter of which did not exceed Rs. 5,000. The Statement of Objects and Reasons annexed to the Bill stated that " many classes of suits are excluded from the cognisance of the Small Cause Court as being unsuitable for disposal by a court of summary procedure. But many suits of the classes so excluded are comparatively petty, and their trial by a court of the calibre of the High Court involves not only a waste of judicial power, but a practical denial of justice to would-be suitors who are unable to bear the relatively high cost of legal assistance in that court." The establishment of a City Civil Court, however, did not abrogate the jurisdiction vested in the High Court with regard to such cases; but it was provided that, if a suit cognisable by the City Civil Court was instituted in the High Court, the plaintiff would be debarred from recovering costs from the defendent, while, if the suit failed, he would have to pay costs to the defendant on a liberal scale. In matters of procedure and organization it was provided that the proposed court should follow the Madras City Civil Court Act.

The Committee examined the provisions of the Bill, in consultation with their Law Sub-Committee; they had also the benefit of consultations with the representative of the Bombay Advocated

Association. The institution of such a Court had in the pay been insistently urged upon Government by this Chamber, and in their letter dated 19th August, 1931 they welcomed the proposal as being a step in the direction of reducing the heavy cost of litigation and the very great delay in the disposal of law suits.

It was mentioned in certain quarters that the cost to the litigant in the City Civil Court would not be less than the cost in the High Court, and perhaps might even be more. The Committee went into facts and figures regarding the compartive costs, and were convinced that there was no justification for this fear.

The Committee suggested that provisions should be made for transferring to the City Civil Court all suits within its jurisdiction lying on the file of the Bombay High Court on the date on which the Act comes into force, provided the parties are agreeable to a transfer, with a provision that the winning party in the City Civil Court should get also the costs properly and legitimately incurred on the Original Side of the High Court in those suits up to the aforesaid date.

In conclusion they hoped that Government woud make every effort to expedite the progress of the Bill which they understood will have to be introduced in the Legislative Assembly.

Law of Evidence-Commercial Documents to be admitted in Evidence without formal proof.

It was reported in the Annual Report of the Committee for the year 1929 (vide item No. 76) that the Government of India were contemplating an amendment of the Law of Evidence so as to provide for certain commercial documents being accepted as *prima facie* correct without formal proof. In this connection the Director General of Commercial Intelligence and Statistics, Calcutta, forwarded to the Committee, through the Federation of Indian Chambers of Commerce and Industry, a list of documents proposed to be included in the scope of the registration, and asked for their views on the same.

With the exception of the following items from the list, the Committee approved of the documents proposed to be accepted as *prima facie* correct:—

(a) Account Sales of an Agent.
(b) Account Books regularly kept.
(c) Certified extracts from Account Books regularly kept.
(d) Commercial telegrams and rates published in Newspapers.
(e) Letters issued by Railways and other public carriers.
(f) Mills' Specifications.

They suggested the inclusion of the following additional documents:—

(a) Balance Sheets of Limited Companies and audited reports.
(b) Register of Births and Deaths maintained by public bodies and certified copies thereof.

Report of the Cotton Contracts Act Committee.

The views of the Committee were invited on the recommendations of the Cotton Contracts Act Committee. In this connection a member of the Chamber suggested that the Committee should while sending their views on the subject, include a demand for the provision of rights for buyers in hedge contracts to buy cotton, on account of sellers, who did not tender cotton, or whose cotton, when tendered, was rejected. This point was discussed by the Committee in consultation with their Industries Sub-Committee and with various members of the trade, and as they found that there was a great divergence of opinion on the point they felt that it should better be discussed and decided by the trade itself.

They expressed themselves in general agreement with the majority recommendations of the Cotton Contracts Act Committee excepting those relating to the constitution of the Board of the East India Cotton Association. They suggested that out of the 6 seats recommended by the majority, to be elected without reservation, two should be reserved for Brokers, leaving four seats in the general section.

With reference to the recommendation of the Cotton Contracts Act Committee to the effect that it was essential for the well being of the cotton trade in Bombay that forward dealings in cotton should be under the control of a single body, the Committee felt that it was a matter to be decided principally by the trade and did not express any opinion thereon.

Delay in realising decree-amounts from judgment-debtors.

It was suggested to the Committee by Messrs. Pandya & Co., Solicitors, on 23rd June 1931, that the Bombay High Court should be moved to formulate rules providing for the following to enable decreeholders to realise amounts of decrees without much delay from judgment-debtors:—

(1) that the creditor should be enabled to get the debtor orally examined about his assets and liabilities;

(2) that it should be possible to restrain the debtor from parting with any assets, pending such oral examination;

(3) that it should be possbile to examine a third person, supposed to be in a position to give information about the debtor in regard to the affairs of the debtor;

(4) that provision should be made in case such a debtor does not present himself for such examination, for his being arrested and brought before the examining party;

and

(5) that costs in connection with such a procedure shall be deemed as costs in execution of the decree.

The Committee were advised by their Law Sub-Committee that provisions suggested in clauses 1, 3, 4 and 5 already existed in Order XXI, Rule 41 of the Civil Procedure Code, and that the provision in clause 2 was not necessary. The Committee, therefore, did not think it necessary to take any action in the matter.

On 25th August 1931, Messrs. Pandya & Co., again addressed the Committee, suggesting that they should reconsider the matter for the main reason, that the provisions in the Civil Procedure Code

referred to above had never been availed of by the practitioners and had practically remained a dead letter. After considering the matter again, the Committee informed them that they saw no reason to change their opinion, that as the provisions sought for already existed in the Civil Procedure Code nothing need be done in the matter.

Classification of Labour Legislation in the future constitution of India.

On 15th May 1931, the Director of the Indian Branch of the International Labour Office forwarded to the Committee a copy of an article, entitled " Labour and the Round Table Conference," contributed by him to the 'Indian Post'. Therein he had advocated that labour legislation should be treated as a " federal " subject in the new Indian constitution, and not as a "central" subject, as the last session of the Round Table Conference had decided to treat it. The Committee, in consultation with their Industries and Labour Sub-Committees, considered the Director's suggestion. They were in agreement with the view, that ' labour ' should be classified as a ' federal ' subject, as otherwise Indian States would be left out of the pale of all labour legislation, thereby making possible unfair competition from the Indian States, brought about by the lower labour standards obtaining therein. The Committee were, at the same time, of the opinion that all Provincial Governments should be at liberty to initiate labour legislation as might be necessary under the local conditions.

On 30th June 1931, they addressed a letter to the Federation of Indian Chambers of Commerce and Industry drawing their attention to the Director's article and forwarding their above views on the subject.

Section 144 of the Criminal Procedure Code.

On 23rd April 1931, the Government of Bombay forwarded to the Committee a copy of the Bill introduced in the Legislative Assembly early this year by Mr. Gaya Prasad Singh to amend section 144 of the Criminal Procedure Code. The Committee, in

consultation with their Law Sub-Committee, considered the same. The object of the section, as defined in the Code, is to provide for " temporary orders in urgent cases of nuisance and apprehended danger." The Committee were inclined to the view that action taken in several cases under the section had not been quite in consonance with the spirit of the object as specified in the Code, and that the wide discretionary powers vested in the Magistracy under the section had been very generally used for suppressing political agitation and other legitimate activities. The Bill aimed at amending the section so as to provide that, where orders under the section were restrictive of the rights of free speech, association, meeting, etc., such orders could only be based on evidence duly recorded, and that ex-parte orders should have no force for more than 48 hours. The Committee approved of the provisions of the Bill, and informed the Government accordingly.

Indian Air Force Bill.

The Government of Bombay invited the views of the Committee on the Indian Air Force Bill, proposed to be introduced in the forthcoming Delhi session of the Legislative Assembly, to provide for the discipline of the Officers and men of the new Indian Air Force, which will come into existence shortly. The Government had particularly desired the views of the Chamber on Section 58 of the Bill, prescribing the punishment for civil offences. Sub-clause (2) to section 58 laid down that the Court Martial under the Act might charge and punish any person for any civil offence, if such offence is also an Air Force offence. The Sub-Committee felt that there is no need for such double punishment and in such cases the punishment inflicted by the ordinary Criminal Courts should be deemed to be sufficient. They, therefore, suggested that sub-clause (2) should be deleted.

Section 31 laid down that all Air Force offences, such as giving any false air signal, causing the capture by the enemy of His Majesty's Air Crafts, voluntarily aiding the enemy when made a

prisoner of war, etc., should be punishable with death. The Committee felt that the maximum punishment should not be made obligatory, but that some provision should be made for some less punishmnet, as may be mentioned in the Act. As a matter of fact, the Army Act lays down that similar offences would be punished " with death or with such less punishment as in this Act mentioned." They suggested the incorporation of a similar provision in the Bill.

The All-India Accountancy Board-Rules regarding:

In 1930, necessary amendments in the Indian Companies Act were effected to provide for the appointment of an All-India Accountancy Board, consisting of persons representing the interests principally affected or having special knowledge of accountancy, to advise the Governor-General in all matters concerning the grant of Auditors' certificates and to assist him in maintaining the standard of qualification and conduct required of auditors. Under the Act, power to make the necessary rules providing for the establishment, constitution and procedure &c. of the Indian Accountancy Board was vested in the Governor-General. The Government of India, under date 5th September 1931, circulated for comments the rules framed in this connection. The Committee, on 5th November 1931, in consultation with their Income-Tax Sub-Committee and a few members of the accountancy profession, sent their views on the rules.

They pointed out that in 1928, when the views of the Chamber were invited on the proposal for the constitution of such a Board Government in their memorandum on the subject had mentioned that " all members of the Board should in the first instance be nominated by the Governor-General-in-Council," while the rules as they had been framed left it to the Governor General in Council to nominate the Board throughout. The Committee suggested that provision should bead for mean elected Board, and felt that out of a total of 18 the Board should have at least 4 representatives from the Bombay Presidency, 2 of them to be elected by the Indian Merchants' Chamber.

They also reiterated their views that all holders of restricted certificates should *ipso facto* be placed on the Register and suggested that the Governor General in Council should, before giving his assent to the Indian Companies Amendment Act, 1930, issue to all such holders of restricted certificates unrestricted certificates, and make them eligible to be enrolled on the Register automatically.

They further felt that the functions of the Board should be defined, and made various suggestions in this connection. They also made various other remarks on the rules.

STORES PURCHASE.

Half-yearly statement of cases in which lowest tenders were not accepted by the India Stores Department, London.

The Government of India publish twice a year statements of cases in which tenders for stores demanded by the Central Government, other than lowest, were accepted by the India Stores Department, London, for that half year. One of the reasons often given in the statements for accepting higher tenders was that of urgency, it being stated that the order for the same was received by telegram. The Committee in a letter, dated 7th May, to the Government of India observed that it was desirable that Government Departments indenting for stores to the High Commissioner, should not be found to be so very improvident as to have to send their orders by telegram. They should be expected to look ahead for their requirements and arrange for them in good time. The Committee, therefore, suggested that necessary instructions should be given to Government Departments to avoid in future the necessity of having to make urgent requisition for stores.

Retrenchment in the Indian Stores Department.

The Stores, Printing and Stationery Sub-Committee of the Retrenchment Advisory Committee invited on 16th June 1931 the views of the Committee on the question whether the Indian Stores Department should be maintained in the present form, or whether

it could be dispensed with, or should be otherwise modified either in respect of its organisation or the scope of its functions. In replying to the reference on 17th July 1931 the Committee traced the origin of the Stores Department to the opinion of the Indian Industrial Commission advocating that "the most obvious and direct form of assistance, which the Government of India can give to the industries of the country, is by the purchase of supplies required for the public serivce so far as is possible in the country itself." They, however, pointed out that the policy of making all purchases of Government requirements in the country by tenders called for in rupees for delivery in India had not yet unfortunately been given effect to completely, and that if and when complete effect was given to this policy the Deparrtment would actually have to be strengthened instead of being curtailed. The Committee also drew attention to the present practice of allowing the Governor's provinces to make their own arrangements in regard to their requirements, and instead urged the necessity of bringing them also under the Stores Rules of the Government of India. They also objected to the continuance of the India Stores Department, London, as an independent unit working under the High Commissioner, and suggested the abolition of that Department and instead having only a branch of the Indian Stores Department for purposes of inspection there. They also depreciated the principle of allowing the Railways and the Army to make their own arrangements in regard to their purchases instead of using the Stores Department.

With regard to retrenchment in the personnel or the emoluments in the Department, the Committee suggested the same scale of cut in their salaries as might be fixed for the superior services under the Government of India.

GENERAL TRADE AND INDUSTRY.

Interview with Mr. P. B. Advani, Director of Industries, Bombay.

Mr. P. B. Advani, Director of Industries, Bombay, met the Committee on the 5th May 1931. Mr. Advani gave an idea

of the activities of his Department, mainly classified under the following 4 heads:—

1. Organised Industries; i.e., industries on a factory scale.
2. Cottage Industries.
3. Technical Education.
4. Miscellaneous activities.

He stated that his Department had during the preceding year rendered help to various industries, and made particular mention of the efforts made by him to help the Gold Thread Industry and the Rope-making Industry. He had also investigated the possibilities of developing new industries and encouraging the existing nascent industries, and of these the following chiefly engaged his attention during the previous year:—

Tallow substitute industry
China Clay industry
Sugar industry
Match manufacturing industry
Tanning industry

He also said that he had in his hand details with estimates of some nine small scale industries which may be started in the Presidency, and that he was prepared to show the estimates to any member of the Chamber interested in the same. Details of the following small scale industries have been placed at the disposal of the Chamber by him, and can be examined by members interested in the same:—

Hosiery manufacture
Slates manufacture
Manufacture of flat and tubular braiding
" " confectionery.
" " cordage
" " disinfectant fluids.
" " tinctures, spirits, etc.

Mr. Advani also suggested the desirability of organising an Industries Association under the auspices of the Chamber to carry

on propaganda work in the country to facilitate industrial development and to create " industrial-mindedness."

Interview with Sir Arthur Salter.

At the instance of the Government of Bombay, the Committee deputed the following gentlemen to meet Sir Arthur Salter, Director, Economic and Financial Section of the League of Nations, who had been requested by the Government of India to give them the benefit of his special knowledge and experience of organisations existing abroad for the study of economic questions including both continuous interpretation of current developments and plans designed to achieve particular purposes, and to advise them or on organisation matters in relations to the associated position in India:—

Sir Chunilal V. Mehta, K.C.S.I. (President).
Mr. Behram N. Karanjia (Vice-President).
„ Hooseinbhoy A. Laljee.
„ S. N. Pochkhanawala.
„ A. D. Shroff and
„ J. K. Mehta (Secretary).

After Sir Arthur Salter had explained the objects of his mission, Sir Chunilal V. Mehta suggested on behlaf of the Deputation that it would be better to have the organisation of any such Economic Council for India after the new constitution was inaugurated.

The " Dictionary of the Economic Products of India " and the " Commercial Products of India."

At the instance of the Government of India, the Government of Bombay invited the views of the Committee on the proposal to revise the publications, " The Dictionary of the Economic Products of India " and the " Commercial Products of India."

The Committee stated that they were in agreement with the proposal to revise these publications, and made the following general suggestions:—

(i) Both the publications should be revised: that the revision of the publication " Commercial Products of

India " should be undertaken immediately in view of the fact that it was of a small size, and the cost thereof would be comparatively less.

(ii) The arrangement of the matter in the publication should, as before, be alphabetical.

(iii) The work should be entrusted to a special staff consisting of an Editor-in-Chief assisted by various recognised authorities to whom should be delegated the work of revising the particular sections in which they had specialised. A Committee should be appointed, thoroughly representative of all Provinces in Commerce, Trade, Industry and Agriculture, to supervise the work of revision, with powers to divide the subjects into sections and to draw up a scheme for expert guidance under various technical and commercial heads, and for appointing the best available talent in the country for the work of revising each and every section. The whole work should be done in India, and the revision of all the sections should be done simultaneously.

(iv) The views of the Science Congress and other public bodies interested in the advancement of accurate technical knowledge should be invited.

(v) The whole of the necessary staff should be drawn from the various scientific and technical services of Government and Universities as also from the large number of highly trained Indians with foreign and European qualifications available in the country.

Appointment of Indian Trade Commissioners.

The Committee had addressed the Government of India on the 11th February, 1931, suggesting that inaddition to their proposal for appointing Trade Commissioners in the following six places, viz., Hamburg, Milan, New York, Alexandria, Durban, and Mombasa, it would be desirable, in view of the importance of trade of India

with France and Japan, to have an Indian Trade Commissioner in each of these two countries. Government of India in their reply dated 24th March 1931 informed the Committee that Indian Trade Commissioner for Hamburg had already been appointed and the selection of a similar Officer, for Milan had also been made. They regretted that further progress with the sanctioned scheme of the establishment of six Trade Commissioners in the places mentioned above had to be held in abeyance owing to the existing financial stringency, and, therefore, the question of extending the scheme so as to include France and Japan could not be considered. The Government reply, however, added that France was included in the areas to which the activities of the Trade Commissioners at Hamburg and Milan would extend.

Surtax on Solicitors' Fees—Compulsory Engagement of two Counsels.

It was recorded in the Annual Report for the year 1930, that the Committee had taken up with the Bombay High Court the question of the abolition of $33^1/_3$ per cent. surcharge on Solicitors, fees, and the compulsory engagement of two counsels. On 7th February 1931 the Committee received a letter from the High Court, informing them that the question of revising the scale of charges for solicitors and the abolition of the surtax was receiving their consideration, and that as regards the obligation to engage two counsels the High Court had no power in the matter, as the rule was one of the Bar Association.

The Committee in a reply dated 24th March 1931 pointed out that their Lordships could intervene in the matter by amending the taxing rules, so as to allow payment only for one counsel.

In December 1931, the High Court informed the Committee that as an interim measure their Lordships had decided to reduce the surcharge from $33^1/_3$ per cent. to 25 per cent., and that the question of further reduction and the revision of the scale of charges

were being considered by a Special Committee. The Committee in their reply dated 30th December, 1931 reiterated their view that the whole surcharge should be abolished.

Indigenous Match Industry.

The Committee sent a telegram to the Government of India, Commerce Department, drawing their attention to the present unsatisfactory state of the match industry, a position which might result in the closure of Indian owned match factories, and urging measures to safeguard their interests.

Conference of Indian Match Manufacturers.

As a result of the representations addressed by Indian Match manufacturers for protection against the heavy competition of the Swedish Match Trust the Government of India convened on the 4th April 1931 a Conference of Indian Match Manufacturers at Delhi to which a representative of the Chamber was invited. Mr. Hooseinbhoy A. Laljee and Mr. J. K. Mehta, the Secretary, were deputed to attend the Conference on behalf of the Chamber.

Municipal License for Storage of Oil Seeds.

A member of the Chamber requested the Committee to approach the Bombay Municipal Corporation with a view to the abolition of the system of licenses for storage of oil seeds. It was represented to the Committee that the object of such a system of licenses was to protect the public from the danger and nuisance arising from the storage in residential building of certain inflamable and other objectionable articles, and that oil seeds could not be considered as coming under this category. The Committee were informed that there was already before the Corporation a resolution providing for the abolition of the system of licenses for storage of oil seeds. They, therefore requested their representative, Mr. Vithaldas Kanji, to support the proposition, when it came up for consideration.

Abolition of Forecast Report on Indigo.

The Director General of Commercial Intelligence and Statistics invited the views of the Committee on the recommendation of

the Royal Commission on Agriculture to the effect that the figures relating to indigo should be omitted from the Volume of "Estimates of Area and Yield of Principal Corps in India" issued by him, for the reason that the crop could no longer be considered as one of the principal crops in India. The Committee observed that they had no objection to the recommendation of the Royal Commission being adopted.

Development of the Oil Crushing Industry.

The Imperial Council of Agricultural Research has appointed a Committee to consider steps to be taken to encourage and develop the Indian Oil Crushing Industry. This Committee forwarded a copy of the Agenda framed for its working to the Federation of Indian Chambers of Commerce and Industry and invited their views on the same. The Federation in turn invited the views of the Chamber on the subject. The Committee in consultation with members interested in milling seeds submitted an elaborate Note to the Federation, embodying their views on points like improvement of the oil seed crop, increasing demand for oil cakes, cheapening railway and steamer freights, helping village presses and larger scale factories, standardising oils and oil cakes, organising the trade and establishing a Central Body to do research work in connection with the industry.

The Alembic Chemical Works Co., and supply of medicinal preparations to hospitals etc. in the Central Provinces:

The Alembic Chemical Works Co., a member of the Chamber, forwarded to the Committee copies of the correspondence they had carried on with the Government of the Central Provinces regarding their non-inclusion in the list of firms approved for the supply of medicinal preparations to hospitals etc., in the Province. In a letter dated the 19th December, addressed to the Department of Medical Administration of the Province, the Committee pointed out that the products of the Works were approved by the Medical Analysers to the Government of Bombay and Bengal and that their preparations were used with satisfactory results in

several institutions in the Presidency. They therefore requested the inclusion of the firm in the list of approved suppliers of such medicines.

Appointment of Mr. E. S. Tarlton as an advisor to the XV Session of the International Labour Conference.

The attention of the Committee was drawn to the appointment of Mr. E. S. Tarlton as an advisor to the Indian Employers' Delegate to the XV Session of the International Labour Conference. As the Committee had always urged on the Government of India that representations at such International gatherings should necessarily be national, the Committee authorised Mr. Walchand Hirachand, Indian Employers' Delegate to the Conference, to lodge on their behalf before the Credentials Committee of the Conference their protest at the nomination of a non-national. They also addressed a communication on the subject to the Officers of the Conference, urging that Mr. Tarlton's nomination should be invalidated.

Interview with Mr. Walchand Hirachand, Indian Employer's Delegate to the XV International Labour Conference.

On 31st July, 1931, the Committee met Mr. Walchand Hirachand, Indian Employer's Delegate to the XV International Labour Conference, and one of his Advisers, Mr. S. G. Ghose. Mr. Walchand gave his impression of the Conference, and referred to the circumstances under which he along with his two Indian colleagues had to withdraw from the Conference, as a mark of protest against the decision of the Conference in accepting the credentials of Mr. Tarlton, one of the Advisers. He also gave it as is view that India was not going to be benefitted by participating in the deliberations of the League of Nations and the International Labour Conference.

Age of Admission of Children to Employment in Non-Industrial Occupations.

The Federation of Indian Chambers of Commerce and Industry invited the views of the Committee on the proposal of the International Labour Conference to adopt a Convention limiting the

age of admission of children to employment in non-industrial occupations, a subject on the agenda before the fifteenth session of the Conference. The Committee in consultation with their Industries and Labour Sub-Committees, considered the question, and informed the Federation that they were in favour of a Convention being framed by the Conference on the subject. They suggested the following occupations to be specified as non-industrial occupations:—

(a) Commercial establishments;
(b) Offices of all descriptions;
(c) Establishments in which hygiene and the care of sick persons is undertaken, including bathing establishments and doctors' and dentists' consulting rooms, etc.;
(d) Ambulant occupations. such as street trading peddling etc.;
(e) Amusement and public entertainment undertakings, including fairs:

and

(f) Catering establishments.

They felt that in the case of India at least, the minimum age for admission should be fixed at 12. They also agreed with the remarks in the Grey Report of the International Labour Office, exempting work carried out in technical schools, in operatic, and theatrical performances etc., from the scope of the proposed Convention. They were not in favour of classing some occupations as specially dangerous. They remarked that such occupations had to be classed as dangerous in European countries owing to peculiar conditions of traffic etc., prevalent there.

As regards enforcing the provisions of such an International Convention, the Committee thought that such details should be decided by the Legislature of each country.

Later in the year the Government of Bombay invited the Committee to send replies to the questionnaire on the Subject issued by the Int. Lab-Office. The same was replied to on the basis of the above views.

Hours of Work in Coal Mines: Questionnaire of the International Labour Conference.

The Federation of Indian Chambers of Commerce and Industry invited the views of the Committee on the questionnaire issued by the International Labour Office on the "Hours of Work in Coal Mines" to enable the Federation to acquaint the Indian Employers' Delegation to the fifteenth Session of the International Labour Conference with the views of the various Indian Chambers of Commerce on the question. In the absence of any coal mining interests in this Presidency, the Committee were unable to get any assistance in formulating their views on the subject from persons connected with coal mines, and in view of the technical nature of the question, they felt it would be better to inform the Federation that they had no opinion to offer on the subject.

Prevention of Industrial Accidents.

The Government of Bombay invited the views of the Chamber, under date 23rd December 1930, on the recommendation concerning the prevention of Industrial Accidents adopted by the Twelfth International Labour Conference, 1929. The Committee, sent their views on the same on 7th May 1931.

The first part of the recommendation related to statistical study and the causes of accidents, investigation into the physical, physiological and psychological factors governing accidents. There would be a good deal of difficulty in collecting such statistics, owing to the absence of properly equipped institutions among industrial workers. The Committee observed that Government should not mind the cost of money and labour involved in compiling the same, having regard to the importance of the matter.

Part II of the recommendation dealt with the various methods of co-operation, viz., periodical conferences between Inspector and representative organisations of employers and workers, safety exhibitions, etc. The Committee approved of the necessity for such collaboration between the factory Inspectorate, workers and employers.

Part III laid down the principles which were recommended to be incorporated in national laws and regulations with a view to ensure an adequate standard of safety. Some of these requirements were:—

1. Calling upon the employer to instruct his workers as to the dangers of their occupation:
2. Making it the legal duty of the workers to comply with the safety regulations: and
3. Enabling the workers to collaborate in securing the observance of the safety regulations by the methods best suited to each country: e. g., the appointment of qualified workers in the official inspection service, giving workers an opportunity of seeing the inspectors working while visiting the undertakings, inclusion of workers' representatives in safety Committees, etc.

The Committee opined that all such provisions must be incorporated in the Factories Act.

Part IV required that State Members should endeavour that accident insurance institutions take into account, while assessing premia, the safety measures taken by each firm, and encourage institutions in work of accidents prevention. The Committee pointed out that this part of the recommendation had little application to this country on account of the limited numbers of such insurance institutions in existence here.

Proposal for a British Empire Mark of Origin.

The British Empire Mark of Origin Association, London, invited the views of the Federation of Indian Chambers of Commerce and Industry on the proposal for adopting a mark of origin for goods produced or manufactured within the British Empire. According to the Association, such a mark was to indicate that goods bearing the same were of British Empire origin, and were neither foreign made nor foreign grown. The Association felt that such a mark would result in a steady expansion of inter-empire trade.

The Federation of Indian Chambers, in turn, invited on 13th November, 1931, the Committee's views on the proposal. The Committee informed the Federation, on 27th November, 1931, to the effect that in their opinion, India was not interested in the proposal, as it would not be of much practical advantage to her, and that, in any case, the country should not be committed to any such scheme at the present stage, when her position and status in the Empire were still a matter for settlement.

GENERAL.

Reported Police Excess in Borsad.

The attention of the Committee was drawn to the reports about the alleged assaults on a procession of women in Borsad on the 22nd January 1931. As the incident, from all the available reports, appeared to be notoriously unique in the manifestation of violence and brutality towards women, the Committee addressed the Government of Bombay, Home Department, on the subject, suggesting that an impartial and judicial Committee should be appointed to go into these grave allegations. In the course of their communication, the Committee took strong exception to the flippant and undignified tone adopted by the Director of Public Information in trying to explain away this incident. They observed that the action of the police, without any previous warning and in the absence of any ban on the procession, was absolutely highhanded. They wondered at the remarks in the Official Pressnote, that " an unusual gathering of men armed with billhooks, lathis, and knives"was bruiting for a concerted attack on the police, for, if such a state of affairs did exist, it would have been humanly impossible for such an armed mob to leave the police alone in spite of the greatest provocation offered, viz. brutal and merciless assaults on women. The Committee suggested that in the interests of the good name of the Government it was imperative that a judicial Committee should be appointed to go into this unhappy incident.

Political Amnesty.

The Committee sent the following telegram on the 27th January 1931, to His Excellency the Viceroy—

"Committee Indian Merchants' Chamber welcome the release of Mahatma Gandhi and other leaders of the Congress but urge that the amnesty should be extended to all who have been convicted of offences not involving moral turpitude. Committee also urge withdrawal of all Ordinances which will mean removal of repression, which will indicate the spirit necessary to ensure an atmosphere for a dispassionate examination by all parties of the problem before the country.

Gandhi-Irwin Settlement.

The Committee sent a telegram to Mahatma Gandhi and to His Excellency Lord Irwin, congratulating them on their success in bringing about truce.

Representation of the Indian Commercial Community at the Future Sessions of the Round Table Conference.

In view of the altered circumstances, as a result of the Gandhi-Irwin settlement, the Committee sent a telegram to His Excellency the Viceroy requesting for an adequate representation for Indian Commerce at the Federal Structure Sub-Committee to be held in London, as also at the next Round Table Conference. They suggested that His Excellency the Viceroy should nominate at least 6 representatives for Indian Commerce in consultation with the Federation of Indian Chambers of Commerce and Industry.

Subsequently, Sir Purshotamdas Thakurdas, Jamal Mahomed Saib and Mr. G. D. Birla, were selected as representatives of the Federation to the Conference. The Committee discussed with Sir Purshotamdas Thakurdas, prior to his departure, the problems that were to come up before the Conference, with particular reference to the Economic and Financial proposals of the first session of the Conference.

Franchise in the future Constitution of India.

The last session of the Indian Round Table Conference had recommended the appointment of a Special Franchise Committee to investigate the possibilities of revision of the existing franchise. To enable them to collect and submit the necessary material to the Committee, when it arrived, the Government of Bombay invited on 4th May 1931 the views of the Chamber on the question of sufferage in the Presidency under the future constitution, and the qualifications for the same.

Under the Montagu-Chelmsford reforms about 3 per cent. of the total population of the Presidency were enfranchised. The Simon Commission recommended the enfranchisement of about 10 per cent. while the Franchise Sub-Committee of the Round Table Conference urged the enfranchisement of not less than 10 per cent. of the population, and indeed a larger number but not more than 25 per cent.

The Committee of the Chamber were in favour of adult suffrage as the goal for both men and women in the country. They at the same time recognised the difficulties in starting with adult suffrage, and, therefore, suggested in a letter dated 8th July 1931, that for the first election of the Bombay Legislative Council under the new constitution about 25 % of the total population should be enfranchised. In effect, this would enfranchise about 50 per cent. of the adult popultaion, for, on the basis of the 1921 census, the adult population was approximately half the total population. They recommended that the ideal of adult suffrage should be reached at the second election when the remaining 50 per cent. of the adult population should also be enfranchised. They suggested the following qualifications for voters:

(a) Any man or woman of 21 years and above of age, who knows reading or writing, should be deemed to be qualified to be a voter;
(b) Payment of any revenue, rent, or land or house rates, cesses or taxes;
(c) Ownership of a house;

(d) Payment of income-tax;

(e) Any one who is a retired, pensioned or discharged officer, non-commissioned officer or soldier of His Majesty's regular forces.

The Separation of Burma.

The Committee had an interview with Revd. Uttama and Mr. Madanjit, representatives of Burma, when they discussed the question of the separation of Burma. During the course of the conversation, the visitors made it clear that the enlightened Burmese National opinion was against such separation as the same would not be in their interest.

The Transfer of the Civil Administration of Aden.

The attention of the Committee was drawn to the statement made in the Bombay Legislative Council on behalf of Government in reply to an interpellation, that the Civil Administration of Aden would be transferred as soon as possible to the Government of India. The Committee in this connection, sent on 8th August 1931 the following telegram to the Government of Bombay:

> " Referring last paragraph reply of Hon'ble General Member regarding Aden to the question of Major Ellis Jones, Committee of the Indian Merchants' Chamber have not been consulted, nor so far as they are aware any other Indian Association. Looking to the importance of the question Committee urge Government not to take any steps regarding the transfer of Aden without giving an opportunity to the Indian Commercial community to express its opinion."

And the Committee followed this up with a representation dated 25th August 1931 wherein they pointed out that there was a good deal of agitation a few years back against the proposal, as it was then made, of transferring Aden to the Colonial Office.

They observed that there was no valid reason why the administration should be transferred from the Government of Bombay

to the Government of India, as the probable loss accruing to the Government of Bombay on account of Aden of Rs. 2 lakhs would be set off by the revenue at present being derived by the Government of India on account of the Salt pans in Aden being made over to the Government of Bombay. The Committee reminded Government that a major portion of the population of Aden consisted of people who had gone from Bombay and who were interested in continuing under the jurisdiction of the Government of Bombay. They, therefore, strongly, urged that Aden should continue to be under the Government of Bombay.

On 30th November, a deputation of representatives of various associations, led by Sir Chunilal V. Mehta, waited upon His Excellency the Viceroy and reiterated their opposition to the proposed transfer.

Delay in the supply of Government of India Publications to the public.

It was reported in the Proceedings of the Committee for the last year (vide item No. 149, Annual Report for 1930) that the Committee were in communication with the Government of India on the question of the inordinate delay in the supply of Government publications to the public. The Government in their reply pointed out that all orders received prior to the release of such reports; were registered in the Central Publication Branch and were complied with as far as possible on the date of issue of such reports; and that arrangements were also in force, whereby all important reports, such as those of the Tariff Board, were sent out regularly a few days in advance of the dates of isuse to local Government Depots, so that the same may be available to the public all over India simultaneously on the dates of release.

With reference to the specific complaint about the delay in the receipt of copies of the Government of India Despatch on Constitutional Reforms, for which the Chamber had placed an order by telegram, it was explained that by a clerical over

sight, the same was despatched to the Chamber of Commerce, Bombay. The Manager of the Central Publication Branch, while regretting the inconvenience caused in this connection, assured the Committee that steps had been taken to prevent a recurrence of such mistakes.

Representatives of the Chamber on the Federation of Indian Chambers of Commerce and Industry.

The following gentlemen represented the Chamber at the last Annual Session of the Federation of Indian Chambers of Commerce and Industry:—

Sir Chunilal V. Mehta, K.C.S.I.

Mr. Behram N. Karanjia.

Mr. Hooseinbhoy A. Laljee.

Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.

The Committee also nominated Mr. Walchand Hirachand for the Presidentship of the Federation for the year 1931, and Sir Chunilal V. Mehta, Sir Purshotamdas Thakurdas and Mr. Hooseinbhoy A. Laljee for election as members to the Executive Committee for the year.

Representative of the Chamber on the Indian National Committee of the International Chamber of Commerce.

Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., was re-nominated to represent this Chamber on the Indian National Committee of the International Chamber of Commerce.

Representative of the Chamber on the Indian Central Cotton Committee.

The term of office of the representative of the Chamber on the Indian Central Cotton Committee having expired on the 31st March 1931, Mr. Chunilal B.Mehta was nominated to represent the Chamber on the Committee for a further preiod of 2 years.

Royal Institute of Science—Chamber's Representative on the Advisory Committee of.

The term of office of the representative of the Chamber on the Advisory Committee of the Royal Institute of Science having expired, the Committee were asked to nominate his successor for a further term of 3 years from January 1932.

The Committee re-nominated Mr. Kapilram H. Vakil, the retiring representative.

Representation of Indian Commerce at International activities.

The Federation of Indian Chambers of Commerce and Industry, under date 14th May 1931, invited the views of the Committee on (a) the Report of Mr. D. S. Erulkar, representative of the Federation on the Executive Committee of the International Organization of Industrial Employers, and (b) Report of Mr. Erulkar, substitute member on the January session of the Governing Body of the International Labour Office. Mr. Erulkar had in his first report suggested the advisability of appointing a whole time Indian to represent the Federation in International activities, and in his second report he had dealt with the necessity for permanent representation of Indian Employers on the Governing Body of the International Labour Office. The Committee, on 30th June 1931, replied pointing out that the idea of such representation in International Quarters was mooted some time before, particularly by the Employer's Delegation to the 14th International Labour Conference. They, however, felt that consideration of the question should be held over, pending settlement of the constitutional problems now engaging the attention of the country, as the angle of vision from which the question had to be viewed depended much upon the degree of success that attended the country's struggle for freedom.

As regards Mr. Erulkar's latter point, the Committee understood that efforts were being made in this direction by the Indian Employers' Delegates at present in Geneva, and that, therefore, the advisibility of any further action in the matter could

only be considered after receipt of information as to what had already been done.

Laissez Passer.

Under date 12th March, 1931, the Indian Chamber of Commerce in Great Britain forwarded to the Committee copies of the correspondence exchanged between them and the office of the High Commissioner for India, London, in connection with the failure of the latter to obtain for Mr. D. S. Erulkar a Laissez Passer to facilitate his journey to Geneva to attend the LI Session of the Governing body of the International Labour Office as a representative of the Federation of Indian Chambers of Commerce as a substitute for Mr. Gimmell of South Africa.

The Committee drew the attention of the Government of India to the circumstances under which Mr. Erulkar did not receive this asistance from the Office of the High Commissioner for India an assistance which was subsequently very readily rendered to him by the High Commissioner for South Africa. They pointed out that the request made by Mr. Erulkar was not at all out of the way and could well have been granted as a matter of course. They requested Government to be pleased to ascertain as to what were the difficulties in the way of the High Commissioner for India complying with Mr. Erulkar's request. They also suggested that arrangements should be made in future for such Laissez Passer being made available easily to representatives from India attending International gatherings so that they might be ensured against needless inconvenience and annoyance.

Appointment of temporary Honorary Presidency Magistrates.

The Government of Bombay, requested the Committee to suggest the names of about 35 gentlemen who would be willing to serve as temporary Honorary Presidency Magistrates in times of emergency. As the members are aware, the request of the Government was circularised, and in reply 17 gentlemen expressed their willingness to serve as to do so. Honorary Magistrates, if called upon to do so. The Committee forwarded the names of

these gentlemen to the Government with a suggestion that they might be communicated with directly in the matter.

Appointment of a Non-Indian Principal to the Victoria Jubilee Technical Institute, Matunga.

The Committee were informed that a non-Indian had been appointed to the vacancy that occured in the post of the Principal of the Victoria Jubilee Technical Institute, by the death of the previous incumbent. On the 23rd April they adressed a letter to the Board of Management of the Institute expressing a regret that the opportunity was not utilised to appoint a suitable Indian for the post. They pointed out that Indians with the highest qualifications capable of bearing the responsibility of Principalship of such an Institution were available, and that the proper procedure —a procedure which would have been in keeping with the policy adopted in the past in similar circumstances and in consonance with the spirit of the times—would have been to invite applications by public advertisement and to appoint the best Indian applicant.

Insurance Companies approved by the Bombay Port Trustees for insurance effected by lessees on Trustees' estates.

At a meeting of the Committee held on the 14th July 1931 the following resolution was passed:—

> "The Committee desire that the members representing the Chamber on the Bombay Port Trust should move and support the following resolution at the earliest opportunity.
>
> 1. It is resolved that the list of insurance companies approved by the Trustees for insurance effected by the lessees on Trustees' estates should be revised, and all companies not registered in this country should be deleted from the list.
>
> 2. It is further resolved that all lessees should have notice of the change to enable them, as soon as the insurance

falls due, not to take out further insurance, except in companies under the revised list."

Accordingly the same has been communicated to the representatives of the Chamber on the Board of Trustees for necessary action being taken by them.

Encouragement of Swadeshi Services.

The Committee at their meeting held on 24th November 1931 passed the following resolution:—

"That a Sub-Committee, consisting of,

1. Sir Chunilal V. Mehta, K. C. S. I. (President).
2. Mr. Behram N. Karanjia (Vice President).
3. ,, Manu Subedar.
4. ,, Mathradas C. Matani.
5. ,, K. S. Ramachandra Iyer.
6. ,, Dhirajlal C. Modi.

and

7. ,, A. D. Shroff.

be appointed (a) to encourage the employment of Swadeshi Services, like Banking, Shipping, Insurance; Lawyers, Architects, Auditors, Newspapers, etc., by the commercial community of Bombay; and (b) to study the practical difficulties which hamper the employment of such services."

Bombay Port Trust—Appointment of an Indian as Chairman.

The Committee were informed that the present Chairman of the Bombay Port Trust, Mr. W. H. Neilson, was due to retire shortly, and that Government were thinking of appointing Mr. W. R. S. Sharpe, Deputy Chairman, in his place. In this connection, the Committee's attention was drawn to the fact that, in 1930, when Mr. Neilson was granted an extension of service up to February 1932, Government had added a proviso to their letter sanctioning the extension to the effect that Mr. Sharpe would be appointed Chairman on Mr. Neilson's retirement. The Committee in a letter dated 12th November 1931 addressed to

the Government of Bombay referred to their previous communications, both in 1925 and in 1930, when they had urged the appointment of an Indian as Chairman to the Bombay Port Trust. In 1930, the Government had, in reply, promised that their suggestion would be duly considered at the proper time. The Committee regretted that such repeated requests for the appointment of an Indian as Chairman of an important body should have been brushed aside, and suggested that Government should reconsider the matter and take advantage of the retirement of Mr. Neilson to appoint a suitable Indian to the post. They also suggested that an Indian should be appointed as Deputy Chairman, if that post was to be retained, as successor to Mr. Sharpe, who was also to retire shortly.

Emigration Certificates to Passengers from Bombay to Aden.

A member of the Chamber informed the Committee on 17th October, 1931, that passengers from Bombay proceeding to Aden were required to get a permit from the Protectorate of Emigrants. Aden being under the jurisdiction of the Government of Bombay, the Committee addressed the Officer in charge of the Protectorate on 29th October, 1931, enquiring of him the reasons why such Certificates were necessary, and requesting to be furnished with rules governing the same.

Chamber's Commercial Examinations.

There were in all 112 candidates for the Chamber's Commercial Examinations in 1931, 78 for the Diploma Examinations and 34 for the Single Certificate Examination. Out of the 78 Diploma candidates, 34 were successful and out of the 34 Single Certificate candidates 13 were successful. Examinations were held in Bombay, Ahmedabad, Calcutta, Poona, Madras and Bangalore.

Representatives of the Chamber on Public Bodies—Contribution of fees received towards funds of the Chamber.

On 3rd November, 1931, the Committee passed the following resolution:—

"Having regard to the present financial condition of the Chamber, the Committee are of opinion and request that representatives of the Chamber on local Public Bodies should pay in to the Secretary fees received by them in respect of attendance on such public bodies. The Committee desire the Secretary to report every month sums so received by him."

Ordinances.

The Committee sent telegrams to His Excellency the Viceroy, protesting against the promulgation of the Ordinances affecting Bengal, U. P., and the Frontier provinces, tantamounting to a suspension of the operations of the ordinary law. They urged the repeal of the same, and the continuance of the policy of co-operation, enunciated by the Irwin-Gandhi pact and developed through the Round Table Conference.

The late Moulana Mahomed Ali.

At their meeting held on 6th January, 1931, the Committee passed a resolution putting on record their sense of great loss at the sad and untimely death of Moulana Mahomed Ali, and expressing their condolences to the bereaved family.

The late Pandit Motilal Nehru.

On 3rd February, the Committee sent a telegram to Pandit Jawaharlal Nehru expressing concern for Pandit Motilal's health and praying for his speedy recovery.

On receipt of the tragic news of the Pandit's demise on the 6th March, the Committee sent a telegram expressing their profound sense of loss and conveying their heartfelt condolences to the bereaved family.

The Late Mr. Habib Ismail.

The Committee at their meeting held on the 18th August, 1931 passed a resolution, putting on record their sense of loss at the sad death of Mr. Habib Ismail, one of their colleagues on the Committee. A message of sympathy with the members of the bereaved family was also sent.

Mr. Dawood Habib was nominated on the Committee to fill the vacancy caused by the death of Mr. Habib Ismail.

Monthly Excerpts from the Proceedings of the Committee.

As members are aware, the Committee are now publishing monthly excerpts from their proceedings, by which the members are kept closely acquainted with the work of the Committee. Enquiries and other notifications are published along with this monthly excerpts, and it is to be hoped that members are making the fullest use of the same.

Mahatma Gandhi—An Honorary Member.

As members are aware, at the Special General Meeting of the Chamber held on 25th April 1931, Mahatma Gandhi was unanimously elected as an Honorary Member in recognition of his services to the country. He is the first Honorary Member of the Chamber, and in honouring him by this election the Chamber has honoured itself.

Membership of the Chamber.

At the beginning of the year there were 461 members. During the year 40 members were elected, and 51 members discontinued, their membership, (34 having resigned, 15 being struck off the rolls for arrears of subscription, 1 having closed their business and one having died). Thus there are now 450 members on the Register.

Statement of Accounts of the Chamber.

The statement of accounts of the Chamber for the year ended 31st December 1931 with the Auditors' Report is annexed hereto:—

THE INDIAN MERCHANTS' CHAMBER.

Dr: *Receipts and Payments Account from 1st January 1931 to 31st December 1931.* Cr.

RECEIPTS.

			Rs.	a.	p.
To Balance brought forward as per last year's a/cs			33,579	11	4
Capital Fund:—	Rs.	a. p.			
40 New Members @ Rs. 100 each	4,000	0 0			
Admission fee of one last year's member realised	100	0 0			
Payment received in advance of one new Member	100	0 0			
	4,200	0 0			
Less admission fee of one member exempted	100	0 0	4,100	0	0
Membership subscription:—					
334 Resident members@Rs.75 each	25,050	0 0			
52 Limited Companies @ Rs. 100 each	5,200	0 0			
43 Mofussil Members @ Rs. 25 each	1,075	0 0			
22 Association Members @ Rs. 125 each	2,750	0 0			
Outstanding realised	4,600	0 0			
Bad Debts realised	75	0 0			
	38,750	0 0			
Less:—					
Subscription outstanding (Rs. 3,300 0 0)					
Last year's Bad debts, 20 @ 75/& 3 @ 25/- (1,575 0 0)					
Subscription received last year of one Mofussil member. (25 0 0)					
	4,900	0 0			
	33,850	0 0			

PAYMENTS.

		Rs.	a.	p.
By	Office Establishment, Rent & Insurance	27,102	6	0
,,	Telephone Rent	370	0	0
,,	Postage & Telegrams	1,725	10	0
,,	Miscellaneous expenses	243	5	8
,,	Newspapers & Periodicals	679	6	3
	Books for Library:—			
,,	From Chamber's account	417	10	7
,,	,, Sir P. T. Entertainment Fund surplus	106	15	5
,,	,, B. F. Madon Portrait Fund surplus	30	9	9
,,	Stationery	1,448	0	3
,,	Printing Reports, etc.	3,870	11	0
,,	Printing Journal	2,007	11	0
,,	Commission on advertisements	60	14	0
,,	Carriage Hire	231	1	0
,,	Chairs Hire	104	8	0
,,	Auditors' Honorarium	100	0	0
,,	Bank Commission	1	9	0
,,	Repairs to Typewriters, etc.	103	10	0
,,	Commercial Examinations (including expenses as honorarium to Examiners & printing charges of question papers etc.)	1,120	13	0
,,	Membership subscription to the Federation of Indian Chambers of Commerce and Industry	150	0	0
,,	Do. to Indian National Committee of the International Chamber of Commerce	33	0	0
,,	Contribution to Indian Chamber of Commerce (London), 2 Gns.	28	14	3
,,	Upkeep of Library	12	7	0
,,	Legal charges	265	0	0
,,	Furniture & Fittings	233	3	0
,,	Travelling expenses	601	0	6
,,	Book-binding charges	85	12	0
,,	Deposit a/c with Central Publication Branch Govt. of India	1	15	6

Subscription received in advance of one new and one old Mofussil Member @ Rs. 25 each ..	50	0	0			
				33,900	0	0
Subscription to Journal.				191	0	0
Advertisements in Journal				468	2	0
Certificates of Origin				270	0	0
Fees for Commercial Examinations				1,468	4	0
Contributions from Chamber's representatives on public bodies				419	15	0
Sale proceeds:—						
Members' lists, etc.				186	0	0
Syllabus for Coml. Exams.				14	1	3
Question Papers for Coml. Exams.				18	8	0
Sundries				7	4	0
Profit on sale of securities				73	12	0
Advertisements in Syllabus				79	0	0
Interest on current accounts and Investments				1,317	14	0
Suspense a/c (for purchase of gold bars) ..				1,000	0	0
Deposit a/c with Central Publication Branch, Govt. of India, as per last year's statement ..				7	13	0
Loan recovered from Poona.				120	0	0
Total Rs. ..				77,221	4	7

,, Public Meeting				59	5	0
,, Purchase of gold bars (suspense a/c) (including assay fee, etc.)				816	0	9
				42,011	6	11
Balance:—						
Capital Fund:	Rs.	a.	p.			
5% Govt. Laon of Rs. 5,000 (1945-54) at cost.	5,425	0	0			
5% Municipal Loan (1959) of Rs. 10,000 at cost	8,862	8	0			
In current a/c with Central Bank of India Ltd.	10,612	8	0			
				24,900	0	0
Other Investments:—						
4% Port Trust Bonds of Rs. 2,000 at cost	2,025	0	0			
6½% Development Loan of Rs. 3000— at cost	3,000	0	0	5,025	0	0
Cash:—						
In current a/c with Central Bank of India Ltd.	2,741	11	9			
In current a/c with Bank of India, Ltd.	2,531	14	11			
In hand	11	3	0	5,284	13	8
				35,209	13	8
Total Rs. ..				77,221	4	7

J. K. MEHTA,
Secretary,

Behram N, Karanjia,
Vice.President.

We have examined the above account of Receipts and Payments with Books and Vouchers of the Indian Merchants' Chamber and certify the same to be correct.

DEVIDAS VITHALDAS & Co., Auditors.

Bombay, 5th January 1932.

Rules and Regulations of the Indian Merchants' Chamber

(As amended upto 24th January 1931)

Name. 1. The Association shall be styled. "The Indian Merchants' Chamber."

Office. 2. The office of the Chamber will be situate in Bombay.

Objects. 3. The objects for which the Chamber is established are :—

(*a*) To encourage friendly feeling and unanimity among business community on all subjects connected with the common good of Indian merchants.

(*b*) To secure organised action on all subjects relating to the interests of the Indian business community directly and indirectly.

(*c*) To promote the objects of the Indian business community in matters of inland and foreign trade, shipping and transport, industry and manufacture, banking and insurance.

(*d*) To collect and disseminate statistical and other information securing the promotion of the objects of the Chamber, and to make efforts for the spread of commercial and economic knowledge.

(*e*) To take all steps which may be necessary for promoting, supporting or opposing legislation or other action affecting the aforesaid interest by the Government or any Department thereof or by any local body or bodies and in general to take the initiative to secure the welfare of the business community in all respects.

(*f*) To make representations to Local, Central or Imperial authorities, Executive or Legislative, on any matter

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affecting trade, commerce, manufacture or shipping banking or insurance.

(*g*) To undertake by arbitration the settlement of commercial disputes between merchants and businessmen and also to provide for arbitration in respect of disputes arising in the course of trade, industry or transport, and to secure the services of expert technical and other men to that end if necessary or desirable.

(*h*) To advance and promote commercial and technical education and to found and support establishments and institutions for such purposes.

(*i*) To undertake special enquiries and action for securing redress for legitimate grievances of any branch of trade or industry as also all such other action as may be conducive to the extension of trade, commerce or manufacture or incidental to the attainment of the above objects.

(*j*) To secure the interests and well-being of the Indian business communities abroad.

(*k*) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Chamber directly or indirectly.

4. There shall be three classes of members :—

Members. (1) Ordinary (2) Patrons and (3) Honorary.

(1) There will be three classes of Ordinary members :—

(*a*)—Residents of Bombay and its suburbs who will have to pay Rs. 75 as annual subscription; but Joint-Stock Companies will have to pay Rs. 100 per year.

(*b*)—Mofussil members who will have to pay Rs. 25 as annual subscription.

(*c*)—Associations which will have to pay Rs. 125 as annual subscription.

Admission Fee : All the ordinary members and patrons will have to pay Rs. 100 as admission fee which will be credited to a capital fund of the Chamber and shall not be expended on revenue account except with the consent of the general body.

(2) *Patrons* : Indian firms or individual Indian merchants can join as Patrons. Firms will have to pay Rs. 5,000 and individuals Rs. 2,500 as donation, the proceeds of which will be credited to a capital fund which shall not be expended on revenue account but the interest whereof shall be taken to revenue account.

(3) *Honorary Members* : Gentlemen distinguished for public services or eminent in commerce and manufactures or otherwise interested in the aims and objects of the Chamber may be elected as Honorary Members by a General Meeting of the Chamber by two-thirds of the majority of members present at the meeting on the recommendation of the Committee and as such shall be exempted from paying subscriptions. They shall not be entitled to vote at any meeting of the Chamber nor shall they be eligible to serve on the Committee.

Eligibility for membership of the Chamber.

5. Any Indian gentleman, firm or association engaged in mercantile pursuits or interested in trade and commerce desirous of joining the Chamber shall be eligible for membership.

Election of members.

6. (*a*) The applicant, whether an individual or a firm or an association, shall sign the admission form giving details of one's business and send it to the Secretary with signtures of the proposer and the seconder, who must be members of the Chamber. This application shall be submitted to the Committee who will fix the dates for the election by ballot, and appoint a scrutineer. At least seven days' notice shall be given to all the members, stating dates for voting and the names of candidates with their proposers and seconders. Votes shall be received during the said seven days from 11 a. m. to 4 p. m. (B.T.)

(*b*) On the seventh day the ballot-box shall be opened at 4 p.m. (B.T.) by a scrutineer and the Secretary who will jointly declare the result of the voting.

(*c*) At least one tenth of the members of the Chamber must register their votes to make the ballot valid.

(*d*) In all voting for election to membership the presence in the ballot-box of black balls in the proportion of one in six shall exclude.

Twelve negative votes shall be deemed to exclude.

Resignation.

7. A member wishing to resign shall give written notice to the Secretary not less than one calendar month before the completion of his annual period ; otherwise he will be liable for the subscription for the next year.

Disqualification of members.

8. A member shall be deemed to be disqualified if :—

(*a*) he becomes an insolvent.

(*b*) he fails to discharge his subscription for a period extending over twelve months.

Privileges of members.

9. A member of the Chamber shall be entitled

(*a*) To obtain gratis publications of the Chamber.

(*b*) To the free use of the Chamber's library.

(*c*) To vote at all meetings of the Chamber or on any matter referred to the General Body of members by circular.

(*d*) To be elected as an office-bearer of the Chamber.

Meetings of members.

10. There shall be held a general meeting of members, which shall be called the Annual Ordinary General Meeting within a month of the 31st December when the official year of the Chamber closes (provided that the Committee can extend the period upto a fortnight by a special resolution), to transact the following business :—

(*a*) To receive the Annual Report of the retiring Committee and the audited statement of accounts of the Chamber.

(*b*) To record the declaration of the result of election of office-bearers for the ensuing year.

(*c*) To elect an auditor for the ensuing year.

(*d*) To transact such other buisness of which notice may have been given by a member five clear days before the date fixed for the Ordinary General Meeting, and of which the Secretary will have given notice to the general body of members by post or otherwise two days before the date of the meeting.

There shall be held during the course of the year in addition to the Annual Ordinary General Meeting three other ordinary meetings when a resume of the work done during the previous quarter will be supplied to members.

A Special General Meeting of members may also be called whenever the Committee think fit; and the Committee shall also call a Special General Meeting on the requisition in writing of at least 10 members of the Chamber stating the object of the meeting.

At least three days' clear notice shall be given to members specifying the day, place, hour and objects of the meeting even when the special General Meeting is convened by the Committee.

Ten days' clear notice of all other General Meetings, whether ordinary or special, shall be given to members specifying the day, place, hour and object of the meeting. Such General Meetings will also transact such other business of which notice has been given by a member five clear days before the date fixed for the meeting and of which the Secretary has given notice either by post or otherwise to the General body of members two days before the date of the meeting.

Quorum.

11. 15 Members shall be deemed a quorum for a General Meeting whether Ordinary or Special. No business can be transacted at any General Meeting, whether Ordinary or Special, if within 30 minutes of the hour specified for the meeting no quorum is formed. In that case the meeting shall stand adjourned to such date, hour and place as the members present at the meeting may fix.

Adjourned meeting.

12. An adjourned meeting can transact the business for which it is called without the necessary quorum.

13. The Chairman of the Committee shall preside at every General Meeting or the Vice-Chairman in his absence. In the case of the absence of the Chairman as well as the Vice-Chairman, the members present may vote one from among themselves to take Chair.

Chairman.

14. Every resolution submitted to the meeting shall be decided by a show of hands. In the case of equality of votes the Chairman shall have a casting vote in addition to his own vote. Each member has the right to speak and vote on any subject which may be submitted for consideration at any General Meeting, provided that firm or association having more than one member shall have one vote only though its several members may be present at the meeting and take part therein.

Voting at meeting.

15. At every Annual Ordinary General Meeting there shall be elected a Committee to carry out the objects of the Chamber, consisting of the Chairman, the Vice-Chairman, and 23 members.

Managing Committee.

16. The Committee shall fill up any vacancy of an ordinary member thereof occurring during the year.

Vacancy on the Committee.

Non-attendance of a member of the Committee without the previous permission of the Committee at meetings of the Committee for three months consecutively will be considered a disqualification for his membership of the Committee and his office shall be considered vacant for the purposes of this rule.

The Secretary will send a reminder to a member of this rule if he has absented himself for two months without the required permission.

17. Any vacancy during the year in the Office of the Chairman or the Vice-Chairman created by resignation or by his going out of India for more than one month shall be filled up by election in accordance with rule No. 26.

Vacancy in the office of the Chairman or the Vice-Chairman.

If the Vice-Chairman goes on leave in India for more than one month, the Committee shall appoint a substitute during his absence from among its own members.

Retirement of the Committee.

18. The Committee shall retire at the end of its term of office but shall continue in office till its successor is appointed.

Rules of the Committee.

19. The Committee shall frame its own rules for the purpose of regulating its proceedings which may be amended or altered or revised as it may deem expedient

Secretary.

20. The Committee shall have the power to appoint a Secretary on such remuneration as it may deem proper and prescribe his duties and functions.

Account of the Chamber.

21. The Committee shall cause accounts of the Chamber to be kept and all receipts and funds shall be paid into such bank or banks as may be selected by it. Such accounts shall be regularly audited at the close of the year, and adopted at the Ordinary Annual General Meeting.

Meeting of the Committee.

22. The Committee shall meet at least once a month to dispose of all communications and references and consider all matters which may be on the agenda.

Minute Book.

23. The Committee shall cause to be kept a book in which the minutes of the proceedings shall be regularly recorded.

If a member of the Chamber wishes to see this minute book he can do so after giving at least 24 hours' notice to the Secretary of the Chamber.

Sub-Committees.

24. After the commencement of a new official year, representatives of principal trades who are members of the Chamber shall be asked by the Committee to elect Sub-Committee of five members from amongst themselves. All questions relating to these trades coming before the Committee during the course of the year shall be first referred to such Sub-committee whose suggestions shall then be placed before

the Committee. Such Sub-Committees shall be formed only for those trades which have at least ten representatives as members of the Chamber. The work of electing Sub-committee shall ordinarily be done by the representives themselves but they can have the assistance of the Secretary of the Chamber if they require it.

The Committee shall at their discretion appoint a Sub-Committee from among their members to consider and report upon such special matters as they may deem expendient and they shall also have the power to invite at their meeting persons other than members of the Chamber and the Committee to consult them or take their advice on such matters as may be deemed necessary.

Register of members.

25. The Secretary shall state in the register of members of the Chamber names of gentlemen who may be representing, for the time being, any members of the Chamber whether associations, firms or individuals. These names will also be given in the list of members submitted to members for the election of office bearers and representatives of the Legislative Council and such other public bodies. The elected gentlemen will be considered to be personally elected as representing particular members, and on their place falling vacant through any reason a fresh election will be made according to the rules in force for the time being.

Any member of a firm, or its representative, being on that account a member of the Chamber, on his severing the partnership or connection with the firm, will no longer be a member of the Chamber.

This rule will not affect Rule No. 14.

This register shall contain details regarding business of all members and shall also record the classified lists of members according to different trades.

Election of Committee.

26. A list of members of the Chamber together with a list showing the attendance of members of the Committee at their meetings during the year shall be circulated by the Secretary amongst all the members before the 15th of January. Within a

week of the receipt thereof nominations for Presidentship, Vice-Presidentship, and membership of the Committee duly proposed and seconded and approved by the nominee shall be sent to the Secretary. The Secretary shall prepare and publish a list of nominations received by him together with the names of their proposers and seconders. This list shall be called the voting paper. Voting papers shall be sent to the members of the Chamber seven clear days before the date fixed for the election. The President and the Vice-President shall be elected from among the nominations received for Presidentship and Vice-Presidentship respectively and 23 Members of the Committee shall be elected from among the nominations received for membership of the Committee. Votes recorded for a candidate for Presidentship will be *ipso facto* recorded for his election as a member of the Committee. President and Vice-President shall be ex-officio members of the Committee.

The voting shall be by means of voting papers received in the ballot-box on days fixed by the Committee marked with crosses against the names of members whom they wish to propose as office-bearers.

The voting by ballot will be carried on in the following manner:—Big and small printed envelopes addressed to the Secretary of the Chamber will be sent to members with voting papers. Members will enclose their voting papers in the small envelope and then enclose both this envelope and a letter duly signed stating that the voting paper is sent by them in the big envelope and send this to the Secretary who will open it placing the letter with the signature in one box and the small envelope containing the voting paper, which shall be unsigned, in the ballot-box.

The retiring Committee shall appoint two scrutineers who must be members of the Chamber, who with the Secretary will open the ballot-box on the day following the ballot days and declare the result. Those who have obtained the highest number of votes shall be deemed to be duly elected. But in the event of refusal to serve on the part of any one or more of them, the member or members who has or have obtained the next highest number of votes shall be considered to be elected in his or their place. The new Committee shall take office on the first day succeeding

the holding of the Ordinary Annual General Meeting and they shall so continue to act until the holding of the next Ordinary Annual General Meeting. A member or members of the Chamber representing it in the Bombay Legislative Council, the Bombay Port Trust or the like public bodies will be ex-officio members of the Committee if they are not already members of the same. Such ex-officio Members shall not however be precluded from contesting the general election.

(*a*) The new Committee shall co-opt, out of the General Body of Members, 40 (Forty) per cent. of the Association members.

Note.—For the purpose of calculation under this Rule, fractions will be ignored.

(*b*) The new Committee shall further co-opt three ordinary members, who in their opinion will prove useful to them for consultation.

Such co-opted members will be elected by the Committee at its first meeting by ballot from among the members proposed at the meeting by members of the Committee.

Equality of votes.

27. In the case of equality of votes recorded for the election of the Chairman or Vice-Chairman or both, the Committee will invite a second ballot as to who shall be elected. In the case of equality of votes recorded for members of the Committee lots will be drawn and the election be declared in favour of the member who draws the lot.

Visitors.

28. Any person resident out of Bombay, engaged or interested in mercantile pursuits visiting Bombay may be introduced as a visitor by any member of the Chamber who has previously obtained permission of the Chairman or in his absence the Vice-Chairman, through the Secretary, provided that a residence beyond one month shall subject such visitors to the rules for the admission of members.

Funds of the Chamber.

29. All moneys or funds of the Chamber shall be primarily paid into the hands of the Secretary who shall pay the same into an account to be opened with any bank that may be approved by the Committee in the name of the Chamber. All cheques on that account

shall be signed by the Chairman or in his absence by the Vice-Chairman for the time being and a member of the Committee. In the absence of both the Chairman and the Vice-Chairman cheques shall be signed by two members of the Committee.

All cheques shall be counter signed by the secretary.

Expulsion of members.

30. The Chamber reserves to itself the right of expelling any member in case he does any act or pursues any conduct that is either in contravention of the rules of the Chamber or detrimental to its credit or is in any way injurious to its welfare and interest or by any other good and sufficient reason it is thought desirable to remove him from his membership of the Chamber. But action on that behalf shall only be taken on the resolution of a General Meeting whereat four-fifths of members present have voted in favour of the proposal.

Alteration in Rules and Regulations.

31. The foregoing rules and regulations shall be copied in a book to be kept with the records of the Chamber. Printed copies of the same shall be forwarded to all the members and no alteration or addition shall be made therein or thereto save and except by a majority of three-fourth of the members of the Chamber present at a General Meeting convened by a notice issued at least 7 clear days before the holding of such a meeting and in which all the terms of proposed alterations or additions shall have been clearly set forth.

RULES OF THE COURT OF ARBITRATION OF THE CHAMBER.

As it is desirable that there should be a tribunal for the speedy disposal of disputes and differences arising between merchants, the Indian Merchants' Chamber has adopted the following Scheme :—

1. There shall be a court of Arbitration working under the supervision and guidance of the Chamber.

2. The Council of the Chamber shall prepare a list of not less than 60 persons who having consented to do so shall form the Court of Arbitration. Whenever called upon a member or members shall solely or jointly constitute a tribunal for the disposal of a case referred to him or them.

3. There shall be a committee of five members elected by the Court from among themselves who shall regulate the appointment of arbitrators by the parties for the tribunal, preparing and revising rules of procedure and preparing tables of fees to be charged and paid.

4. This Committee shall be a permanent body but so that two members thereof shall retire every year and whose places shall be filled up by the Court. The retiring members shall be eligible for re-election.

5. In electing members of the Court the Council of the Chamber shall have regard to the recommendation of the Chambers of Commerce and Trade Associations affiliated to this Chamber.

6. The Secretary of the Chamber shall be the Registrar of the Court. It shall be his duty to act as Secretary of the Court, its Committee and its tribunal and keep records and do all the executive work of the Court.

7. The rules of the Indian Arbitration Act of 1899, and Schedule 2 of the Civil Procedure Code of 1908 (Arbitration) will apply to the arbitrations under these rules except as modified by them.

8. The disputants who wish to take advantage of this scheme shall execute a reference paper in the form prepared by the Committee of the Court and file the same with the Registrar.

9. The Registrar will place reference papers before the Committee of the Court. Parties should nominate arbitrators and in case of their failure to do so within a week from the day of filing reference the Committee of the Court shall appoint two arbitrators, and direct to procure their consent to act in the tribunal. This having been obtained and the tribunal constituted the Registrar shall fix a day for the trial and give notice thereof to the parties.

10. On the day fixed for trial and before they commence it the Arbitrators, if they are more than one, between themselves fix upon an Umpire who should take up the arbitration in case of the difference of opinion between the arbitrators. This name shall not be disclosed but shall be written on a paper, put in an envelope

sealed. The envelope shall be handed over to the Registrar who will open it only in case of difference of opinion and thereupon immediately request the Umpire to take up the matter.

11. The arbitrators may take oral or documentary evidence, hear parties or their agents, may take expert advice and do every thing in the matter to come to a right decision of the case.

12. Within one month from the filing of the reference, or such further time as they may extend, the arbitrators shall prepare a written award, sign the same in the presence of the Registrar and hand over the same to him.

13. The arbitrators in their decision may by writing extend the time to make their award but in no case it will be later than three months from the date of reference. If they fail to make the award within the time prescribed, the Registrar shall forthwith request the Umpire to take up the matter.

14. The Umpire shall make his award within a fortnight from the day he takes it up provided he extends the time to do so by writing, but such shall not exceed two months from the day on which he has taken up the matter. If he fails to give his award during that time the arbitration shall lapse and the parties may put in a fresh reference.

15. The parties to an arbitration shall pay to the Registrar such fees as may from time to time be fixed by the Committee of the Court.

16. The arbitrators of a tribunal or an Umpire are entitled to such fee or fees for their services as may be fixed by the Committee of the Court.

RULES PREPARED BY THE COMMITTEE OF THE COURT FOR CARRYING ON THE WORK OF THE ARBITRATION COURT

The provisions of Act IX of 1899 (Arbitration), will apply to all the arbitration made to this Court under its rules.

2. Under these rules the word " The Court " means the Court appointed by the Committee to the Arbitration Court.

3. The disputants shall prepare a submission paper in the form (1) of the Indian Arbitration Act, copies whereof will be supplied by the Registrar on payment of one anna.

4. The submission paper shall state;

(*a*) The name of disputants made over in several numbers and arranged as far as practicable as Plaintiffs and Defendants.

(*b*) Each party shall mention in short the facts of his case.

(*c*) Specify the name of the sole Arbitrators or two Arbitrators as the case may be to whom the submission would be made.

(*d*) Specify whether the Arbitrator or Arbitrators have consented to take up the arbitration.

(*e*) A statement showing that the party shall abide by the award made by the Arbitrator or Arbitrators or the Umpire unless it is bad in the Law.

(*f*) Specify that they have paid Rs. 20 to the Registrar at the time of the submission paper or in case of more arbitrators than one, Rs. 20 for each arbitrator named.

(*g*) The disputants who are not members of the Chamber shall pay double the fees mentioned in Schedule.

5. On receipt of the reference paper the Registrar shall fix a day for the hearing of the case and give notice to the Arbitrators and the parties. In case any of the Arbitrators refuses to act, the Committee shall be called upon to nominate an Arbitrator in his place who after signifying his consent will at once take up the matter.

6. The Registrar shall issue notices to the parties to appear before the Arbitration Court with the papers proving their case and the witnesses if any.

7. The Court before proceeding with the case and if the Arbitrators are more than one shall write down the name of the Umpire in case of their disagreement, and place the paper in an envelope, seal it and hand it over to the Registrar. The name shall not be mentioned to any person until on the opening of the envelope, by the Registrar as hereinafter provided.

8. The Arbitrators shall hear the p arties and their witnesses, consider the documents produced and thereafter adjourn to consider their award.

9. Within the time fixed by the Court Rule XII and within such extended time as may be fixed by the Court but in no case more than three months from the date of the submission, the Arbitrators shall sign their award in the presence of the Registrar who will attest the same and file it.

10. The Arbitrators shall in the arbitrations make provision for the costs and the proportion in which and by whom and to whom to be paid.

11. If the hearing lasts for more than one day of two hours at a time the arbitrators may fix upon the amount of the Court's costs to be paid per diem by the parties.

12. If the arbitrators do not agree as to the award the non-agreement shall be notified to the Registrar who will open the sealed envelope and will at once refer the matter off difference to the Umpire who will make his award within the time prescribed by rule XIV of the Court's Rules.

13. When the award is made by the Umpire the same shall be signed by him in the presence of the Registrar who will attest it and file it.

14. The Registrar shall within four days from the filing of the award give notice to the parties and, when applied for, give a copy of the same to him or them.

15. The fees fixed in the Schedule annexed hereto shall be charged under these rules.

SCHEDULE

(1) Fee to be tendered with the reference paper Rs. 20 for each Arbitrator named in the Reference paper and a fee of Rs. 30 shall be tendered for the Umpire in case the matter is referred to the Umpire provided that Rs. 5 shall be deducted from all such fees as fees due to the Chamber.

(2) The parties before they enter upon hearing shall deposit Rs. 50 for making and stamping the award which will be accounted for at the time of filing the award.

(3) The party applying for copy of the award shall pay full stamps required to be paid under the Stamp Act and the copying charges.

RULES FOR THE ELECTION OF PORT TRUSTEES BY THE CHAMBER

(Adopted at the Extra-ordinary General Meeting of the Chamber held on Wednesday, the 28th February 1923.)

1. The Electoral Roll of the Chamber shall be prepared by the Secretary and circulated among the members of the Chamber at least 12 clear days before the date of the election giving particulars regarding the respective trade of each member provided that the name of each member shall be entered under any one of the following trade-sections as he may select, *viz.*, (1) Cotton (2) Piecegoods (3) Grain and Seeds (4) General. No member, after once selecting a particular section, shall be allowed to get his name transferred to another section except for special reasons, and the Committee shall decide as to the validity of such reasons. Protests, if any against the allocation of a member to a particular trade will be examined by a Sub-Committee consisting of two members appointed by the Committee and the Secretary, (whose decision shall be final) on any such date as may be fixed by them. Changes regarding other items in the Electoral Roll shall be notified to the Secretary, within three days of the issue of such a roll which shall be amended accordingly, No vote by proxy shall be allowed.

2. Candidates for the election as Port Trustees, as well as voters should be members of the Chamber, or duly nominated representatives of the members of the Chamber, with their names registered as such in the Register of Members of the Chamber and the Electoral Roll provided that candidates must always be Indians.

3. The Committee of the Chamber shall, as and when necessary, invite applications from members for election as Trustees of Port of Bombay and shall fix the date on which the election shall

be held provided that there shall be the following allocation of seats to different trade interests :—

Trade	Seats
Cotton	1
Piecegoods	1
Grain and Seeds	1
General	2

There may be any number of candidates from each of these sections but only the number allotted to each shall be elected.

4. Any member desirous of standing as a candidate for the election shall signify in writing such his desire to the Secretary seven clear days before the date fixed for the election, and send his nomination signed by his proposer and seconder who must be members of the Chamber stating what particular section he represents provided that he shall be allowed to stand on behalf of that particular section which has been specified against his name in the Electoral Roll under rule No. 1.

5. If the number of candidates for election for different sections shall be the same as the number of vacancies the candidates shall be deemend to be duly elected.

6. If the number of candidates for election for different sections shall exceed the number of vacancies the Secretary shall send the names of such candidates to each member of the Chamber three clear days before the date fixed for the election, giving particulars regarding the trade which each candidate represents.

7. The Committee of the Chamber shall appoint two scrutineers for the scrutiny of the voting papers at least 7 clear days before the date of the election.

8. On the day of the election the ballots-book will remain open from 10 a.m. to 6 p.m. (S.T.) in the office of the Chamber. Voting papers will be supplied to members of the Chamber in the office of the Chamber and members will fill these up and place them in the ballot-box. The counterfoils of these voting papers shall be first signed by members which shall be retained by the Secretary. The ballot-box will be in charge of the Secretary or an officer of the

chamber appointed by him. Scrutineers will seal the ballot-box at 6 p.m. (S. T.), on the day of the election and after scrutinising the voting papers shall on the day following along with the Secretary declare the result. No duplicate voting paper will be issued unless the original is returned. Candidates and their agents shall not be allowed in the room in which the bollot-box is placed, excepting for the purpose of registering their own votes.

9. The candidate or, where there is more than one Trustees to be elected for the different sections, the candidates not exceeding the number of Trustees to be elected who has or have the largest number of votes shall be declared duly elected.

10. In the event of an equality of votes preventing the due election of any of the candidates the members shall vote afresh in the manner above laid down in respect of the candidates having an equal number of votes.

11. In the event of a casual vacancy or temporary absence of a Trustee the same course shall be followed in the appointment of a substitute.

12. If a candidate is desirous of withdrawing his candidature from the election contest he should give intimation of his withdrawal to the Secretary so as to reach him at least 48 hours before the day of Election.

13. *In case of difference of opinion or a dispute between the candidates for election the matter should not be taken to the Court but should be referred to the Committee. The candidates should not make personal allagations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929.)

RULES FOR THE ELECTION BY THE CHAMBER OF A REPRESENTATIVE ON THE BOMBAY MUNICIPAL CORPORATION

(Adopted at the third Quarterly General Meeting of the Chamber held on 11th November 1922.)

(1) Candidates for the election as a corporator of the Bombay Municipality, as well as voter, therefor, should be members of the

Chamber or representatives deputed by member-firms or member associations (whose names should be duly-notified to the Secretary of the Chamber from time to time) provided that candidates must always be Indians.

(2) Those members who wish to become candidates in conformity with Rule I should send their names to the office of the Chamber twelve clear days before the date fixed for the election together with the names of proposers and seconders.

(3) The Committee of the Chamber shall elect two Scrutineers at least seven clear days before the date fixed for the election.

(4) The Secretary of the Chamber shall circulate the names of candidates at least seven clear days before the date fixed for election.

(5) The Committee shall fix a day (notice thereof shall be given to all the members of the Chamber) on which the ballot box will be kept open from 10 a.m. to 6 p.m. (S.T.). Voting papers will be provided to the members in the office of the Chamber and the members will be required to place them, duly filled in the ballot-box. The slips containing the signature of the members voting will be placed in another box. Both these boxes will remain in charge of the Secretary or other officer of the Chamber appointed by him. At 6 p.m. (S.T.) on the date of the election the Scrutineers shall seal the ballot-box and on the next day after scrutinising the voting papers declare the result of the election. A fresh voting paper will only be issued in return of the original one. It shall not be open to the candidates or to their agents to enter the room containing the ballot-box except for the purposes of recording their votes, nor will they be permitted to arrange refreshments in connection with the election.

(6) The candidate who gets the highest number of votes, shall be declared duly elected.

(7) In the event of two or more candidates getting an equal number of votes the election shall be held afresh in the manner above laid down in respect of candidates getting an equal number of votes.

(8) In the case of there being only one candidate, he shall be declared to be duly elected.

(9) In the case of a casual vacancy necessitating the election of a substitute the election shall be made in the manner above laid down.

*(10) If a candidate is desirous of withdrawing his candidature from the election contest he should give intimation of his withdrawal to the Secretary so as to reach him at least 48 hours before the day of Election.

*(11) In case of difference of opinion or a dispute between the candidates for election the matter should not be taken to the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929).

RULES FOR THE ELECTION BY THE CHAMBER OF A REPRESENTATIVE ON THE IMPROVEMENT COMMITTEE

(Adopted at the Special General Meeting of the Chamber held on 27th March 1926)

1. Candidates for the election as a member of the Bombay Improvement Committee, as well as voters therefor, should be members of the Chamber or representatives deputed by member-firms or member associations (whose names should be duly notified to the Secretary of the Chamber from time to time) provided that candidates must always be Indians.

Changes, if any, in names of representatives should be reported to the Secretary at least one week before the date of the election.

2. Those members who wish to become candidates in conformity with Rule 1 above should send their names to the office of the Chamber five clear days before the date fixed for the election together with the names of proposers and seconders.

3. The Committee of the Chamber shall elect two Scrutineers at least seven clear days before the date fixed for the election.

4. The Secretary of the Chamber shall circulate the names of candidates at least three clear days before the date fixedfor the election.

5. The Committee shall fix a day (notice whereof shall be given to all the members of the Chamber) on which the Ballot-Box will be kept open from 10 a.m. to 6 p.m. (S.T.) Voting papers will be provided to the members in the office of the Chamber after getting their signatures on the counterfoil. These voting papers will be duly filled in by the members in the ballot-box room and placed in the ballot-box. The ballot-box will remain in charge of the Secretary or other officers of the Chamber appointed by him. At 6. p.m. (S.T.) on the date of the election the Scrutineers shall seal the ballot-box and on the next day after scrutinising the voting papers declare the result of that election. A fresh voting paper will only be issued in return of the original one. It shall not be open to the candidates or to their agents to enter the room containing the ballot-box except for the purpose of recording their votes, nor will they be permitted to arrange refreshments in connection with the election.

6. The candidate who gets the highest number of votes shall be declared duly elected.

7. In case any two or more candidates shall obtain an equal number of votes, the Chairman or, in his absence, the Vice-Chairman shall have a casting vote.

8. In the case of there being only one candidate he shall be declared to be duly elected.

9. In the case of a casual vacancy necessitating the election of a substitute the election for such period of vacancy shall be made by the Committee by ballot.

10. *If a candidate is desirous of withdrawing his candidature from the election contest he should give intimation of his withdrawal to the Secretary so as to reach him at least 48 hours before the day of Election.

11. *In case of difference of opinion or a dispute between the candidates for election the matter should not be taken to the Court but should be referred to the Committee. The candidates

should not make personal allegations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929.)

RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE INDIAN MERCHANTS' CHAMBER TO THE SENATE OF THE BOMBAY UNIVERSITY UNDER ACT IV OF 1928

(Adopted at the Extraordinary General Meeting of the Chamber held on 12th February 1929.)

1. The list of Members of the Chamber in force one week before the election date shall be considered as the Electoral Roll, copies of which can be had from the Office of the Chamber on payment of Rupee One each. If any changes are required to be made in the name of representatives, etc., in the Roll, information in writing must be given to the Secretary by members one week before the date of election. No intimation received after the due date will be recognised.

2. Candidates for election should be members of the Chamber or representatives deputed by members provided they are always Indians.

3. Any member desiring to stand as a candidate should send his name to the Office of the Chamber ten days before the date fixed for election together with the names of a proposer and a seconder, whose names appear on the Electoral Roll.

Any nomination paper which is not in confirmity with these Rules shall be deemed invalid and rejected as such.

4. The Committee of the Chamber shall elect two Scrutineers at least 5 days before the date fixed for election.

5. If there is not more than one candidate for election, the candidate duly nominated shall be declared to be duly elected. If however, there are more candidates than one, the Secretary shall send the names of all candidates to each member of the Chamber leven days before the date fixed for election.

6. The Committee shall fix a day (notice whereof shall be given to all members of the Chamber) on which the ballot-box will be kept open from 10 a.m. (S.T.) to 6 p.m. (S.T.), Voting papers will be provided to members in the office of the Chamber and members will be required to place them duly filled in the ballot-box. Counterfoils of the voting papers, which should be placed in another box, should be first signed by the voters. Both these boxes will remain in charge of the Secretary or other officer of the Chamber appointed by him. The Scrutineers will seal the ballot-box at 6 p.m. (S.T.) on the day of election, and shall on the next working day after scrutinising the voting papers, with the Secretary, forthwith declare the result. No Duplicate voting paper will be issued unlsss the original is returned.

7. Candidates or their agents shall not be allowed in the room in which the ballot-box is placed, except for the purpose of registering their own votes, and not more than one voter at a time shall be allowed in the room.

8. A candidate getting the highest number of votes shall be declared duly elected. In the event of two or more candidates getting the highest number of equal votes, the election shall be held afresh in the manner above laid down in respect of only those candidates who get highest number of equal votes, within five days of the declaration of the result.

If of the candidates who have secured an equal number of votes all but one withdraw from the contest and intimate in writing such withdrawal to the Secretary not less than two clear days before such a fresh election, the remaining candidate will be declared to be duly elected.

9. *If a candidate is desirous of withdrawing his candidature from the election contest he should give intimation of his withdrawal to the Secretary so as to reach him at least 48 hours before the day of Election.

10. *In case of difference of opinion or a dispute between the candidates for election the matter should not be taken to tha Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929.)

CHAIRMEN OF THE INDIAN MERCHANTS' CHAMBER

1907—13 The Hon. Sir Manmohandas Ramji
1913—14 Sir Purshotamdas Thakurdas, C.I.E., M.B.E.
1914—15 Sir Fazulbhoy Currimbhoy, C.B.E.
1915—16 The Hon. Sir Dinshaw Edulji Wacha
1916—17 Sir Lallubhai Samaldas C.I.E.
1917—18 Late Sir Vithaldas D. Thakersey
1918—19 Sir Chunilal V. Mehta, K.C.S.I.
1919—20 Mr. Jehangir Bomanji Petit
1920—21 Mr. Lalji Naranji
1922 Sir Purshotamdas Thakurdas, C.I.E., M.B.E.
1923 Sir Fazulbhoy Currimbhoy, C.B.E. (From 24-2-23 to 3-9-23)
Mr. Devidas Madhowji Thakersey (From 4-9-23 to-25-1-24)
1924 The Hon. Sir Manmohandas Ramji
1925 The Hon. Sir Phiroze C. Sethna, O.B.E.
1926 Mr. Lalji Naranji
1927 Mr. Walchand Hirachand
1928 Sir Shapurji B. Billimoria, Kt., M.B.E. form 31-1-28 to 20-3-28
Mr. H P. Mody from 30-3-28 to 17-7 28 and
Mr. L. R. Tairsee from 28-7-28
1929 Mr. L R. Tairsee
1930 Mr. Hoseinbhoy A. Lalljee
1931 Sir Chunilal V. Mehta, K.C.S.I.

Secretary :—Mr. J. K. Mehta, M.A.
Assistant Secretary :—Mr. A. C. Ramalingam

CHAMBER'S REPRESENTATIVES ON PUBLIC BODIES

Representatives on the Board of Trustees of the Port Trust

1. Sir Purshotamdas Thakurdas, C.I.E., M.B.E., (Cotton)
2. Mr. Vithaldas D. Govindjee (Piecegoods)

3. Mr. Vithaldas Kanji (Grain and Seeds)
4. Mr. Lalji Naranji (General)
5. Mr. Laxmidas Rawji Tairsee (General)

Representative on the Bombay Municipal Corporation

Mr. Vithaldas Kanji

Representative on the Improvement Committee.

Mr. Manu Subedar

Representative on the Advisory Committee of the Bombay Development Department

Mr. Manu Subedar

Representative on the Indian Central Cotton Committee

Mr. Chunilal B. Mehta

Representative on the Advisory Committee of the Royal Institute of Science in Bombay

Mr Kapilram H. Vakil

Representatives on the Local Advisory Committee of Railways

G. I. P. Railway :—

The Hon. Sir Phiroze C. Sethna, O.B.E.

B. B. & C. I. Railway :—

Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.

Representatives on the Panel of the Railway Rates Advisory Committee

1. Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.
2. The Hon'ble Sir Manmohandas Ramji

3. The Hon'ble Sir Phiroze C. Sethna, O.B.E
4. Mr. Manu Subedar
5. Mr. K. H. Vakil

Representative on the Governing Body of the Indian Mercantile Marine Training Ship 'Dufferin'

Mr. M. A. Master

Representative on the Senate of the Bombay University

Mr. Nagindas T. Master

Representative on the Traffic Control Committee (Bombay)

Mr. L. R. Tairsee

Representative on the Bombay Road Board

Mr. Walchand Hirachand

Representative on the Indian Sailors Home Committee

Mr. M. A. Master

Representative on the Board of the Bombay Telephone Co.

Hon'ble Sir Phiroze C. Sethna

Managing Committee for the year 1932

President :

Mr. Behram N. Karanjia

Vice-President :

Mr. Manu Subedar

Members :

1. Mr. A. D. Shroff
2. Sir Chunilal V. Mehta, K.C.S.I.
3. Sir Currimbhoy Ebrahim, Bart.
4. Mr. Dawood Habib Ismail
5. Mr. Dhirajlal C. Modi
6. Mr. E. R. Hirji-Behedin
7. Mr. Fakir Mahomed C. L. Sajan
8. Mr. Gordhandas Goculdas Morarji
9. Mr. Hooseinbhoy A. Lalljee
10. Mr. H. P. Mody
11. Mr. Jal A. D. Naoroji
12. Mr. J. C. Setalvad
13. Prof. Khushal T. Shah
14. Mr. Lalji Naranji
15. Mr. Mathuradas Vissonji Khimji
16. Mr. M. C. Ghia
17. Mr. N. M. Muzumdar
18. Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.
19. Mr. Purshotam Jivandas
20. Mr. Sherif Dewji Canjee
21. Mr. S. N. Pochkhanawalla
22. Prof. Sohrab R. Davar, Bar-at-Law.
23. Walchand Hirachand

Co-opted.

1. Sir Cowasji Jehangir (Jr.), K.C.S.I., M.L.A.
2. Mr. Hargovandas B. Kotak.
3. Mr. Sarabhai Prataprai
4. Bombay Rice Merchants' Association
   (Mr. Mathuradas Canji Matani)
5. Bombay Grain Merchants' Association
   (Mr. Velji Lakhamsey Napoo)
6. The Indian Insurance Companies Association
   (Mr. K. S. Ramachandra Iyer)

7. Bombay Yarn, Copper and Brass Native Merchants Association.
(Mr. Sankalchand G. Shah)
8. The Sugar Merchants' Association
(Mr. Jagjivan Ujamshi Mulji)
9. The Seeds Traders' Association
(Mr. Ratilal M. Gandhi)
10. Bombay Coal Merchants' Association
(Mr. Thakorelal H. Vakil)
11. The Swadeshi Market Committee
(Mr. Mangaldas B. Mehta)

Ex-Officio:

1. Mr. Vithaldas Kanji (Bombay Port Trust and Bombay Municipality)
2. Mr. Vithaldas Damodar Govindji (Bombay Port Trust)
3. Mr. Lakhmidas R. Tairsee (Bombay Port Trust)
4. Mr. Chunilal B. Mehta (The Indian Central Cotton Committee)
5. Mr. Nagindas T. Master (Bombay University)
6. The Hon'ble Sir Phiroze C. Sethna, Kt., O.B.E. (G. I. P. Railway Advisory Committee)
7. Mr. Kapilram H. Vakil (Royal Institute of Science Advisory Committee)
8. Mr. M. A. Master (Governing Body of the I.M.M.T.S. 'DUFFERIN')
9. Mr. Keshawprasad C. Desai (Bombay Improvement Trust)
Mr. J. K. Mehta (Secretary)
Mr. A. C. Ramalingam (Asst. Secretary).

List of Journals and Periodicals received in the Library of the Indian Merchants' Chamber

Bi-Annual.

1 The Indian Cadet. (Journal of the Indian Mercantile Marine Training ship "Dufferin")

Quarterly.

1. Empire Cotton Growing Review.
*2. Vishva Bharati.
3. Swedish Economic Review.
4. Journal of the Bengal National Chamber of Commerce.
5. Journal of the Aberdeen Chamber of Commerce.
6. Finish Trade Review.

Bi-Monthly.

1. The Agricultural Journal of India.
2. The Yokohama Trade Review.
3. Industrial Safety Survey. (International Labour office.)

Monthly.

*1. Nation's Business. (U.S.A.)
*2. Oficial Journal of the League of Nations.
*3. Monthly Summary of the Proceedings of the League of Nations.
*4 Monthly Bulletin of Statistics issued by the League of Nations.
5. International Conciliation.
6. Monthly Journal of the Liverpool Chamber of Commerce.
7. Monthly Journal of the Manchester Chamber of Commerce.
8. Monthly Journal of the Sheffield Chamber of Commerce.
9. Monthly Journal of the Bradford Chamber of Commerce.
10. Monthly Journal of the Nottingham Chamber of Commerce.
11. Northamptonshire Journal of Commerce.
12. Monthly Report on Current Economic Conditions in Japan: issued by the Tokyo Chamber of Commerce.
*13. National Geographic Magazine.
14. Indian Insurance.
15. Commercial India.
16. Mercantile Guardian.
*17. International Labour Review.
*18. Indian Labour Review

19. Bombay Labour Gazette.
20. Engineering Progress.
21. British Industries.
22. Monthly Seaborne Trade Returns of British India.
23. Monthly Statistics of Cotton Spinning and Weaving in Indian Mills.
24. Statistics of Import and Export Trade in Cotton Yarn and Piecegoods of British India. (Issued by the Bombay Millowners Association.)
25. Statistics of Import and Export Trade in Cotton Yarn and Piecegoods of the Bombay Presidency excluding Sindh. (Issued by the Bombay Millowners' Association.)

*26. Modern Review.
*27. Asia.
28. Cotton and Finance.
*29. Young Messenger of India.
30. American Exporter.
31. The German Industrial Echo: Exporters' and Importers' Journal.
32. German Exporter.
33. Export and Import Review.
34. Bendien's International Review.
35. Belgium Abroad.
*36. Bulletin of the International Management Institute.
37. Monthly Summary of the Foreign Commerce of the United States.
38. East and West Trade Developer.
39. Swedish Export.
40. Indian Concrete Journal.
*41. Financial and Economic Supplement of the "Mahratta".
42. London Chamber of Commerce Journal.
43. Journal of the Aero Club of India.
44. Monthly Review of the Lloyds Bank.
45. „ „ „ „ National City Bank of New York.

46. Monthly Received of the Barclays Bank.
47. ,, ,, ,, ,, Midland Bank.
48. ,, ,, ,, ,, Westminster Bank.
49. "Index"—(Svenska Handelsbanken, Stockholm.
50. World Trade (International Chamber).

Weekly.

*1. Economist.
*2. Statist.
*3. Indian Finance.
*4. Manchester Guardian Commercial.
5. Board of Trade Journal.
6. Indian Trade Journal.
7. Commerce Reports (U. S. A.).
8. Calcutta Commercial Gazette.
*9. Industrial and Labour Information.
10. Nation (U. S. A.).
11. New India.
*12. Bombay Market Report.
13. Bombay Government Gazette.
*14. Gazette of India.
*15. New Leader.
*16. Business Week.
17. Servant of India.

Occasional.

1. Legislative Assembly Debate.
2. Council of State Debates.
3. Bombay Legislative Council Debates.
4. Bengal Legislative Council Debates.
*5. Burma Legislative Council Debates.

Gujarati Periodicals.

1. Sahitya.
2. Buddhi Prakash.

* Periodicals marked with an asteric are subscribed for by the Chamber.

3. Jnnan Vardhak,
4. Khetivadi Vignan
5. Bhagyoday,
6. Vaidya Kalpataru,
7. Digambar Jain,
8. Gujarati Punch, (Weekly).

THE INDIAN MERCHANTS' CHAMBER, BOMBAY
24th Annual General Meeting.

The 24th Annual General Meeting of the Indian Merchants Chamber was held on Saturday, the 30th January, 1932, at 3.0 p.m. (S.T.), at the office of the Chamber, Sir Chunilal V. Mehta presiding to transact the following business:—

(1) To consider the Annual Report of the retiring Committee and the Audited Statement of Account of the Chamber for the year 1931.

(2) To record the declaration of the result of the General Election of the Chamber's Office bearers for 1932.

(3) To appoint auditors for the year 1932.

The following members were present:—

Sir Chunilal V. Mehta.
Mr. Behram N. Karanjia.
„ Manu Subedar.
„ K. S. Ramchandra Aiyer.
„ G. K. Dalal.
„ M. H. Parikh.
„ Jayantilal Devidas.
„ Nusserwanji S. Guzdar.
„ Thakoredas N. Merchant.
„ H. M. Chowna.
„ B. S. Thurkhad.
„ B. S. Dabke.
„ C. B. Nanavati.
„ R. M. Nanavati.

Mr. Mathuradas V. Khimji.
„ Walchand Hirachand.
„ L. R. Tairsee.
„ N. M. Sampat.
„ C. G. Fozdar.
Mr. Vanmali H. Pandya.
„ Dhirajlal C. Modi.
„ P. D. Churi.
„ P. D. Chowna.
„ F. C. Cooper.
„ Vithaldas D. Govindji.
„ D. C. Vakil.
„ Vallabhdas Ranchordas.
„ Girdharlal H. Lohana.
Sir Purshotamdas Thakurdas.
Mr. T. S. Thadhani.
„ M. L. Dahanukar.
Mr. R. M. Singh.
„ M. C. Ghia.
„ R. M. Bhat.
„ N. M. Muzumdar.
„ Purshotam Jivandas.
„ Jamnadas H. Sanghvi.
„ B. P. Mehta.
„ Hooseinbhoy A. Laljee.
„ Sarabhai Prataprai.
„ Purshotamdas Popatlal.
„ B. J. Modi.
„ D. T. Thadhani.
„ Ratilal H. Gandhi.
„ A. D. Shroff
„ Jamnadas M. Mehta.

Mr. Nagindas G. Shah.
,, Sankalchand G. Shah
,, V. N. Patruni.
,, Madhavlal M. Bhat.
,, Vithaldas Kanji.
,, M. A. Master.
,, S. J. Pandya.
,, V. P. Vaidya.
,, Morarji Hemraj.
,, P. D. Bhat.
,, N. M. Bhuta.
,, Shamji Premji.
,, Gordhandas G. Morarji.
,, Mangaldas B. Mehta.
,, D. H. Vakil.
,, Karsondas Thakersy.
,, J. B. Manekji.
,, Purshotam Shamji.

Sir Chunilal V. Mehta, the retiring President, in moving the adoption of the Report of the Committee and the audited Statement of Accounts for the year 1931, made the following speech:

Gentlemen,

It gives me great pleasure to place before you the Report of your Committee for the year 1931 for your acceptance.

Within a few days of my taking over the Office of President, the political barometer showed a pleasing change, and a little while after the well-known Irwin-Gandhi Pact was signed. It appeared as if the trade and industrial conditions in the country would respond to this change in the political atmosphere; but unfortunately this was not to be, as the world-wide depression affected this country also and did not allow that response. Prices crashed to an abnormally low level, which meant economic disaster for the producers, and India, being an agricultural country, our agriculturists were hit the most. The agricultural distress and unrest, which have been in evidence throughout the year, are due thus to world causes as

well as local causes, and reacted naturally on trade and industries. The loss of purchasing power was evidenced not only among the agriculturists but also among the commercial and industrial classes, and there was wide-spread unemployment specially among the middle classes. The imports and exports which had begun to go down from 1930 did not show any signs of rallying owing to the low level of prices and the feeble demand from outside. The local industries might have been expected, under the stimulus of popular support, to have fared better and shown good results: but the wide spread loss of purchasing power and the consequent practical strike of consumers were serious obstacles. These economic phenomena had their repercussion on the Government finances, both Imperial and Provincial, and Governments had to make frantic attempts to make both ends meet. Many Retrenchment Committees were appointed, both by Provincial and Imperial Governments, and additional sources of taxation began to be tapped. I need not go over again the sad story of the Special Budget presented by the Hon'ble the Finance Member of the Government of India to the Legislative Assembly last September, when the unusual course of preparing, in advance, the Budget for one year and a half was adopted, and an additional taxation, calculated to impose a burden of about Rs. 40 crores on the already bent backs of the people, was placed before the Assembly, but was after full discussion thrown out. The Financial Statement, however, was certified by His Excellency the Viceroy, showing how meagre are the powers of the Legislative Assembly, how strong is the case for full financial autonomy and how out of place it is to talk about the so-called Financial Safeguards. The troubles through which we had been passing affected even England, and the pound sterling showed a dangerous tendency to move away from the gold parity. The installation of the 'National Government' in England was due to the desire to maintain the pound, but even so the pound broke away from its moorings and Government had to formally announce its de-linking from gold. Despite the demand of the Indian commercial community for letting the Rupee find its natural level, the Government of India, apparently under pressure from the Secretary of State for India, tied the Rupee to the chariot wheels of the pound sterling, and gave thus at a stroke a preference to British products as against the products of other countries of the world which were

still on a gold standard basis. While the Rupee was thus linked to the pound sterling at 1s. 6d., it was practically free as against the other countries leading to constant fluctuations. This sudden change in the fate of the Rupee led to a good deal of commercial complications. Many of the Continental exporters insisted upon getting their bills met in either their own currencies or the Dollar. We had to approach the International Chamber of Commerce, through the Indian National Committee, but the only relief which could be promised was that such complications might be brought before the Arbitration Board of the International Chamber.

With regard to the position of the Rupee in relatiou to sterling and to gold and the export of gold I should like to say a few words. Members are aware of the views that were expressed at the public meeting held in September last which were forwarded to our representatives at the Round Table Conference and to Mahatma Gandhi. These questions were thereafter fully discussed at two or three meetings with the Secretary of State for India with a complement of experts on both sides ; and a perusal of that discussion shows that there cannot be dogmatism of the kind that is indulged in some quarters as to the undoubted benefit to this country resulting from the free export of gold. Our representatives were by no means convinced by the arguments that were put forward. All one need say is that if this country's policy were to be determined by its own Government enjoying full financial autonomy it would certainly vote in the direction of leaving the Rupee free and of imposing a ban on the export of gold. The one and the only effective course of preventing gold from leaving this country, if it is really desired to do so, is the imposition of a ban by Government. It must be recognised that while some Indian agencies are willing and anxious to trade in and export gold it is not feasible to prevent its flight merely by appealing to the middlemen. I am personally aware of several instances of well to do merchants who are very well placed for making large profits by exporting gold but who deliberately refrained from that business as it is a little unfair to be told that the export ban is suggested out of interested motives. It should be remembered that the arrivals of gold at the ports started with the pressure of economic distress, and that people were really parting with their savings and capital under that pressure then, and are still

partly under that pressure and partly under the belief that the price of gold is abnormally high. A great deal is made of the reputation given to India that she is the sink of precious metals and especially of gold. In this connection, I would like to quote some very interesting figures which have been printed in the Appendices to the Report of the Royal Commission on Indian Currency and Finance published in 1926 on page 534. Ever since 1493 out of the total output India has taken only 14 per cent. as against Europe and America 31 per cent. of the world's gold not used for currency. Even in the two periods of thirty years ending with 1894 and 1924, India's absorption has been 10 per cent. and 16 per cent. against that of Europe and America 43 per cent. and 24 per cent. The annual import of gold into this country on the average comes to well under eight annas per head of the population, and looking to the backward industrial condition, absence of a good banking system and a lack of opportunity for investment this small sum cannot be considered either excessive or satisfactory. Continued export of the yellow metal in the last few months has totalled the imports of nearly three years together, and is regarded in some quarters with great satisfaction for the reason that it has enabled the currency to be expanded, or as some fear inflated, with the consequent effect of rasing the prices. As I have said before, gold began to come into cities on account of economic distress, and since there was no desire to unduly depress the price for the small seller it was proposed that the purchase rate which the Government are bound to give under the currency law should be raised to fluctuate with something on a parity with the cross rate, while export should be prohibited by Government. This would have enabled the gold to be retained in the country, and to be used as a solid backing for a legitimate expansion of currency which would have had the same effect in raising the prices. It is somewhat surprising to find that those who declaimed most violently against the inveterate conservatism of the Indian people in the matter of hoarding gold should now feel that they have suddenly got out of their habit overnight and bring out the buried gold and replace it by nothing else. As a matter of fact, it will be found that while during the last year or two there was a heavy return of rupee coins into the currency, there is now an inordinate demand, and that in some places cases have even occurred of notes being sold at discount. The following are the figures in this connection.

On 31st March 1919, the Note circulation amounted to 153 crores, while Silver coin and bullion held in Reserve amounted to 37 crores. Comparing this with the figures for 15th August 1931, the Note circulation increased to 156 crores and Silver coin and bullion to 133 crores; *i.e.*, while Note circulation increased only by about 3 crores, Silver coin and bullion in the Reserve increased by 96 crores. In other words, quite a large amount of coin was returned to the Reserve. The latest figures show a reverse movement. The Notes in circulation as on 15th January amounted to 181 crores, *i.e.*, an increase by 25 crores over last August figure; whereas the Silver coin in the Reserve has diminished by about 14 crores, that is to say, 14 crores of coin have lately been called into circulation from the Reserve. This goes to indicate that there is a growing preference for silver coins over currency notes.

Whether to the individual it is a profit to part with gold and to hoard silver coins will depend ultimately upon the true value of the rupee, but so far as the national interests are concerned I do not think it would be correct to blame the Indian commercial community for insisting upon the retention of gold in this country, especially in the Government Treasury, when the most advanced nations in the world, like America and France, continue to do so, in spite of the most violent protests from western countries which are hard hit. There is the added reason in favour of the Indian people that without a sufficiency of gold the prospect of the Reserve Bank with which it is sought to combine the possibility of financial autonomy of the future Indian Government recedes into the background. The Finance Member in the Assembly said recently that he desires in the near future to establish a Reserve Bank in India and surely with this end in view gold should not be regarded merely as a commodity, but it has a value far greater than that. Much has been made of the fact that the £15 million Loan has been repaid. Government could easily have done it themselves from their own reserves, if they had adopted the course suggested by the business community, and in fact saved the additional twelve crores or so which have been exported, over and above the thirty-two crores required by Government. In any case it is somewhat distressing to find that those who think that India is doing a public international service by putting out her gold so freely seem to give her very

little in return. There can be no question that Britain has benefited enormously by leaving the door open for the gold exports from India, and along with her other countries have also benefitted, and let us hope that there would be due recognition of this great service in the hour of need and that repayment will be made in the constitutional advance for which this country is striving.

For some years past there was a heavy deflation in the currency of the country and your Committee, in common with the rest of the business community, had, on not a few occasions, protested against it. It injured trade and industries and prevented the required legitimate credit expansion. Government, however, are at present in need of money due to the decrease in the Treasury Bills receipts to meet the day-to-day outlay. They have therefore been expanding the currency to a pretty large extent. They have exhausted the limit of the *ad hoc* securities, *viz.* 50 crores and are now resorting to other expendients for expansion. His Excellency the Viceroy finds criticism inconsistent inasmuch as there was an outcry against the contraction of currency in the past year or two. If this matter, however, is closely examined, it will be found that there is no such inconsistency. Expansion of currency is legitimate and salutory when there is a real and genuine trade demand for the same. It appears, however, from our reading of the situation that there has been no such demand, and that it is not Imperial Bank but th Government of India which, according to a well-known financial papere would come to be embarrassed as a result of the insufficiency of the amount of Bills of Exchange held by the Bank. Moreover, it is necessary to pay due consideration to the price level during these periods of contraction and expansion. In 1929-30 when the average price level 136.5 as gathered from the wholesale price index number Calcutta, there was a net contraction of 32 crores. Again in 1930-31 when the average price level was 109 there was a further contraction of 38 crores but in the nine months ending January 1932, the average price level was only 95 and there was a net expansion of over 22 crores. Surely it cannot be contended that when prices went down by about 38 per cent since 1929-30 and about 15 per cent since 1930-31 there is justification for the expansion of this large figure. And when these facts are examined, it will be difficalt to show that expansion was needed when due to slackness of trade demand the Bank Rate was lowered. There is a special responsibi-

lity resting on the Executive when it is also the Currency authority, that its actions are not liable to attack or even to misapprehension, especially in times of unrest and when all Governments, Provincial as well as Central are grabbing at every source they can lay their hands on. In this connection, we must emphasise the desirability of Government recognising the urgent necessity, which it is feared, they are yet not showing, of still greater economy and retrenchment.

I would not like to weary you with details about several other questions considered by your Committee. The report circulated to you makes mention of them all. I should like to refer, however, to the question of the transfer of Aden. Your Committee dealt with this question very fully in their representation to Government, and a deputation from this Chamber and other Associations waited on His Excellency the Viceroy. Although I cannot say that our mission was a success, Goverment have not yet published any final decisions. I should like to emphasise the very great importance of Aden being continued as a part of the Bombay Presidency, and hot placed under the jurisdiction of the Government of India, not that we have lack of confidence in that Government to be able to look after Aden's needs. We appreciate that His Excellency the Viceroy was good enough to declare that this proposal was not, as was feared, a first step to the transfer of Aden to the British Government. He gave an assurance that opportunity would be given for full consultation, if such a course was contemplated. With the dismemberment of India that is now going on, however, I cannot disguise the suspicion in the minds of the Indian commercial community that, in view of previous history, consultation alone, without express agreement on the part of India, will not prevent the taking away of this important out-post, brought to its present importance by the century-old enterprise and perseverence of Indian businessmen. It is scarcely fair, now that constitutional changes of great significance appear to be not far off, that Aden,—one of the principal ports of the Bombay presidency, Should be taken away frome it. I hop that the Government of Bombay will support the protest lodged by all of us against the transfer of Aden.

POLITICAL SITUATION

No speech and especially from the Chairman of this Chamber, would be complete if it did not refer to the present political issues over which the public mind is so strongly agitating. The signing of

the Irwin-Gandhi pact followed by the presence of Mahatma at the second Round Table Conference, gave hopes to most of us that the constitutional evolution of this country would proceed harmoniously without the sad repetition, and in such a graver form, of the struggle which was witnessed in 1930. In my speech at the Quarterly General Meeting in July, I stated that all eyes would be turned towards the Round Table Conference and that the peace and prosperity of this Country with its inevitable repercussions on the world depended upon its successful outcome. Unfortunately, however, that was not to be, despite the fact that Mahatma Gandhi exerted his utmost in London, though sometimes under the most trying and depressing circumstances, to maintain his helpful co-operation. There was a complete and dramatic change in the situation on his return to this country and one cannot help feeling that convinced as we are that Mahatma Gandhi earnestly meant, under most difficult circumstances, to continue in this country the work left unfinished in London, it was not found possible to enable him to do so despite the efforts of several friends and prominent associations, I understand, both British and Indian. It is felt by many that the atmosphere of Calcutta was distinctly unfavourable. The arrest and internment of Mahatma Gandhi under the Regulation of 1827 was soon followed by the Ordinances which have, to put it frankly, convulsed the public life of the City and the Presidency and led to general disorganisation of business. It is now more than three weeks after the promulgation of these Ordinances and it would be difficult to say that they have had the effect which was hoped for especially in regard to giving a fillip to trade and commerce. Even those of us who are anxious for the preservation of law and order have had to recognise that the extreme severity of the Ordinances and the free hand which they give to the executive of high and low position and the general atmosphere of unsettlement and uncertainty created are scarcely suitable for the free conduct and interchange of business. It should at least be examined whether the ordinances should take effect against actions committed after their promulgation or whether those that took part in the last movement should on that account alone be brought under its purview. However, it may be regarded in other countries, the imposition of an order to report at the police station one and even more than once in a day is abhorrent to the Indian mind. Such an atmosphere is scarcely favourable to the

constructive constitutional work which was to implement the Round Table Conference and on which the British Prime Minister has laid such strong emphasis. Mahatma Gandhi is the only honorary Member of this Chamber and I deeply deplore that at such a critical juncture in the history of this country his advice, counsel and guidance should be denied to this country. I should also like to refer to the arrest and incarceration of a few of our colleagues, two of whom were members of the Committee, namely, Messrs. Nagindas Master Parmanand Kunverji. Mr. Nagindas Master was the representative of this Chamber on the University Senate, and I should like to say that the Committee was a loser by the absence of these two valuable members. I cannot peep into the future but I can say this that the desire of the people of this country for self-government is natural, honest and genuine and that it would be a piece of statesmanship to meet it in every legitimate way. I do not know how much truth there is in the report, which appeared some days ago, of an interview given by Sir Samuel Hoare, wherein it was stated that prison bars did not make any obstacle against negotiations and that he was unable to say at the moment what might be the avenue of approach in that direction. This however must be admitted that no war can last for ever and that the end of war is necessarily peace preceded by negotiations, and I trust that negotiations will be started at an early date with Mahatma Gandhi, who is generally recognised as the true representative of this country, for a settlement honourable to both sides. Several delegates have returned from Round Table Conference convinced that England means business. I cannot believe that a liberty loving people like the English will either justify to itself or regard it in its interests to resist for long the unquestioned demand of the Indian people. I only hope that the vision will not be allowed to be clouded by a narrow consideration for vested interests or the overweening domination of the imperialist idea. The Indian Mercantile Community gives its unstinted devotion to Mahatma Gandhi not merely because he is a true bulwark against violence but also against class hatred and class warfare.

I cannot do better than end with a quotation from one of the speeches of Viscount Morley, which no statesman at the present time should forget:

"All this and its various sequels and complements make a policy if you please. But after such a policy had produced a mute, sullun, muzzled, lifeless India, we could hardly call it as we do now, the brightest jewel in the Imperial Crown. No English Parliament will ever permit such a thing."

When I have said this I cannot help referring to certain incidents which would hurt the feelings of none else so much as Mahatmaji himself, when he comes to learn of them, namely, the incidents which took place so recently in some quarters of the city. I have no hesitatien in condemning them as besmirching the fair name of this city. They are not only full of possibilities of the gravest danger to all believing in ordered progress and to us business people especially those, who are already suffering heavily in every way, but they are sure to defeat their very purpose.

Before I sit down, I wish to state that the Chamber is lucky in having secured for its President for the coming year a gentleman of considerable experience who has for two years together filled the position of Vice-President of Chamber. It speaks volumes for his modesty and for his anxiety to place the interests of the Chamber above all personal considerations that he approached of his own accord last year to give me the honour of being the President of this Chamber, he being content to take the position of Vice-President for a second year. With his industry and cordiality I have no doubt that he will further, in every possible way the interests of the Chamber. I have said before that the year 1931 has been a strenuous and, in some respects, a troublesome one which has placed more than the ordinary responsibilities and work upon its very able Secretary, Mr. Jaisukhlal and the whole of his staff. I would like to give public expression to my appreciation for all that Mr. Mehta and his assistants have done for me in particular and I trust that for a long time to come the Committee will continue to receive with gratitude the assistance of his long experience and of his very sound judgment. I have no hesitation to say that Mr. Jaisukhlal and his assistants are working with a single eye to the interests of the Chamber. I wish to thank the members of the Committee and of the Chamber for the very kind consideration they have shown to me throughout the year.

Mr. Behram N. Karanjia, the incoming President, seconded the motion for the adoption of the Report and the Statement of Accounts with the following remarks :—

Mr. President and Gentlemen,

I have much pleasure in seconding the proposal for the adoption of the Report of the Committee of the Chamber for the year 1931, which has been placed before you by the President.

At the outset, allow me to thank you all for the great honour you have done me in electing me to be the Chamber's President for this year. I prize this all the more, because this year happens to be the Silver Jubilee year of our Chamber. Allow me also to tender my thanks to you for the courtesy you have shown to me, the willing co-operation you have given me and the confidence you have reposed in me, during the tenure of my office as Vice-President for the last two years. Such support from you heartens me when I am on the threshold of my Office and makes me feel assured that you will continue to extend to me the same degree of confidence and goodwill in this difficult year. On my part, I can assure you that it will be my duty to maintain the best traditions of this office and to watch and promote the interests of our Chamber and enhance its reputation and prestige. I may be allowed to state here that it was a great pleasure for me to work with a man of wide public experience and eminent position in life like Sir Chunilal Mehta, who, as President, showed to me every courtesy and consideration.

You must have seen that there was no contest for the Committee Election for this Jubilee year. Thanks to the efforts of Sheth Mathuradas Vissanji Khimji, a contest was avoided and a unanimous agreement reached concerning the personnel of the Committee. We cannot sufficiently thank Sheth Mathuradas for the great pains he took in this connection.

We are passing through a crisis unparalled in the history of this country. Apart from the economic and financial crisis that has shaken the foundations of the economic organisation of the civilised countries of the world, we are confronted with a grave political crisis, the consequences and implications of which it is difficult to conceive at the present moment. The presi-

dent has, in his able Address, dealt with this situation. I need only point out that the situation renders it very difficult, if not impossible, to do any business.

It is a mere truism to say that Commerce is the mainstay of Society. The commercial community is the State. It is from trade and industry that revenue flows into the coffers of Government, but we find that in the present political situation that fountain of prosperity is being dried up. I am not here, today, to discuss the question of policy. We can only call attention to the feelings and sentiments of the commercial community in this country and request the Government to give heed to these sentiments, allay their apprehensions, regain their co-operation, and to seek all possible means to revert to the normal methods of administration and preservation of Order at the earliest opportunity. We may also call the attention of Government to the fact that the manner in which the provisions of the Ordinances are applied to individuals and institutions causes in some cases grave hardship, annoyance and engenders resentment and illfeeling even among the least politically-minded people.

A heavy handicap has been placed by the abnormal taxation which has been imposed upon this country under the Special Budget introduced in September last. Increases in the Income tax and Supertax can bring in additional revenues upto a time only, and there will always be the 'Law of Diminishing Returns' working when the taxation exceeded its normal limits. I am afraid that the time has come when this Law will apply to this country. It was the cry raised, even 8 years back, when a joint deputation of the Indian and British Chambers of Commerce waited upon the then Viceroy, and pointed out that the taxable capacity of the people in this country has been reached, and yet, after that, additional taxation of crores of rupees has been piled high on the backs of the poor taxpayers.

The Railways also have increased their fares and rates by an abnormal amount, and the result is seen in the fact that during the last nine months the Railway revenues have shown a drop of Rs. 719 lakhs, though the revenue for the corresponding period last year was itself less than the previous year's corresponding

revenue, by Rs. 534 lakhs. Though additional taxation of Rs. 40 crores has been levied, it is doubtful whether the Finances of the Government of India would bear the strain, specially with the disturbed political condition in the land. The Provincial Government's finances are equally bad, and reports of a further heavy taxation are current. All this additional taxation, whether Imperial or Provincial, means a set-back for trade and industries, for which there will be no relief until the methods of administration are revised and suitably modified and expenditure retrenched as businessmen would do, and not by means of Committees and Commissions consisting of members incapable, in several cases, to deal with the question.

Now I would like to present to you the other side of the picture. Heavy duties have been imposed on the import of commodities like cotton textiles, and there are also duties on millstores, which were exempt from them for sometime past. The protection which the duties on cotton textiles afford is, I may say, adequate, and our millowners should now try to put their house in order, so that there may be no more cry of the cotton textile industry being in danger. Despite the present disturbed conditions in the country, there are two factors, which are of great advantage for the cotton textile industry: one is the present public sentiment and feelings for encouraging and developing Swadeshi industry, and the other is the fairly high Customs duties levied by Government. Both these factors should be utilised to their fullest extent to make the cotton textile industry thriving and able to cope with the requirements of the whole country.

BANKING

Our great backwardness with regard to our industries and agriculture is due, for the most part, to our defective Banking organisation and the absence of a sufficient number of Indian Banks to cater to their requirements. A Banking Committee was appointed by Government to go through all these questions connected with Banking and some of us entertained hopes that the Banking organisation would receive a good deal of encouragement and help as a result of the working of several Provincial Committees and the Central Banking Committee. The different Provincial Committees

and the Central Banking Committee suffered, perhaps, to some extent, from the unwiedy character of their membership; but it must be acknowledged that both the Provincial and the Central Committees collected a mass of useful information. The Report of the Central Banking Committee, with the minority Report of my friend, Mr. Subedar, the newly-elected Vice-President of the Chamber, is a very valuable document and presents views of great interest and importance. It is unfortunate that the pre-occupation of both Government and the public with other questions has not yet allowed them to focus their attention on this valuable report. The new Committee of the Chamber will be called upon to consider it, and it may be hoped that as soon as we get a clearer atmosphere both the Government and the commercial institutions will be able to arrive at definite conclusions regarding the future of the Banking organisation in this country, on the right solution of which will depend our future progress and prosperity.

SILVER

Sometime back, I referred, in one of my speeches, to the problem of Silver. At that time Silver was very much down and it was regarded for all practical purposes as a mere drag in the market. It was taken for granted that the gold standard, which was dropped during the War-time and again came to be adopted since 1925 by a large number of civilised countries, was a settled fact, and that there would be no difficulties coming up to unsettle the settled fact. The great economist, Sir Arthur Salter, writing in the "World Trade" the Monthly issued by the International Chamber of Commerce observed that the reign of gold is threatened after a century of astonishing triumphs. King Gold, however, has for the present fallen and several countries have disowned their allegiance to him. Peoples' attention is being directed again to Silver, not only because of this comparative failure of the gold standard to cope with the equirements of the present times, but also because it is felt that the economic condition of the world would improve if Silver were rehabilitated in some manner thereby increasing the purchasing power of the two great Asiatic countries-China and India-with large silver-using populations. How much importance is attached to this question will be seen from the fact that the International Chamber of Commerce appointed a Special Committee of Experts to go into

this question and report on the same. The problem, however, is so intricate and complicated that even these Experts have not been able to suggest any definite and tangible proposals. The long-standing suggestion of a world Conference with regard to Silver is, of course, there, and there is also the suggestion that the silver manufacturers of America may well enter into negotiations with the Government of India. The other two suggestions were, (1) expansion in the use by Governments of Silver as a backing of currency notes, and (2) for Governments to restore their subsidiary coinage to pre-war fineness within the limits of their national laws, which would help to restore confidence in the value of Silver throughout the world. The last recommendation is to silver producers on their own account to institute research for devising new uses for Silver. It will be seen thus that no finality has yet been arrived at with regard to any of the suggestions or recommendations. The International Chamber is now exploring the possiblity of practical effect being given to these recommendations. It will, however, require the co-operation of the Governments of the different countries, and it will take a long time to settle the question. We cannot hope, therefore, for any such immediate or radical solution as will help materially either our country or the world in general in the near future.

GOLD

I should now like to make a few remarks regarding the question of Gold exports and so-called hoards of India. Mainly owing to the necessity to draw on their reserves in these days of financial stringency, and partly owing to the temptation to take advantage of the recent rise in the price of gold, about £35 millions of gold has been exported from India. Whether this is good or bad for the country, in the present monetary position of the country, is a question on which much has been said from either point of view. I do not wish, at this juncture, to raise a little more dust of controversy on that point, but I should like to correct a misconception concering the fabulous *hoards* which are believed to exist in this land of enchantment. Journalists, critics, Government official and publications, all speak of hoards. No word has been more loosely used than this. There are no reliable data with which one can compute with any degree of accuracy, the amount of gold and silver

actually hoarded and put out of use. Without any statistical material, it is assumed that the bulk of the gold imported into the country has been hoarded and its extent is greatly exaggerated. The size of such hoards is variously estimated by various writers—some put it at £350 millions, some at £700 millions. Taking even the higher estimate, what does the *per capita* share of gold absorbed in India amount to ? It hardly amounts to £2 per head of population.

None of the Committees appointed by Government and by the Indian States has had evidence of hoards of considerable magnitude anywhere. The practise of burying precious metals underground or otherwise putting them completely out of use is disappearing. There is no evidence of hoarded gold in private household. If there is any holding of gold, it can be seen in ornaments and jewellery, also in bars in solitary cases. The rich in India probably possess a good deal more in jewellery than the rich in European countries, but if the value of the total investments in ornaments is calculated per head of population it will not amount to more than Rs. 15 to 20 per head. If it is desired that the small savings of the poor and middle class population should be better mobilised and that they should be weaned from the habit of investing such savings in jewellery, the only effective way is to issue Gold Savings Certificates, as has been recommended by various public bodies and also by the Banking Committees.

An eminent industrialist observed at the Conference recently convened by His Excellency the Governor, that Government must try to find out the root-cause of the present troubles, and that he believed that it was mainly economic. I agree that this economic trouble is operating with regard to the aggrarian distress and steps should immediately be taken by Government in this direction. The report of the Tariff Board with regard to Sugar may very well be adopted by Government and the present duty on sugar can be converted into a protective duty. It will be a great relief not only to the industry concerned, but also to the agriculturists. The Tariff Board are at present considering the question of protection to the Glass industry. This is a very important industry, and several attempts have been made in the past to make it successful and many of them proved a failure. It is surprising that while in several countries people have literally turned their sand into gold

through their well-developed glass industry, we have not yet been able to do so. An adequate measure of protection can set up this industry also, as the Match industry has been set up. The same may be said of industries, such as the Biscuit, Soaps and Silk industries, all of which and several others can be made thoroughly successful and India can become independent of the rest of the world with regard to these products if an adequate and substantial measure of protection is forthcoming.

Before I resume my seat, I once more tender to you all my warmest thanks for the honour you have done me.

The proposition was further supported by Mr. Manu Subedar, the incoming Vice-President, who also made some general remarks on the present economic situation.

After some general discussion, the meeting proceeded with the next item on the agenda, *viz.*, the declaration of the result of the general election of the Chamber's office-bearers for the year 1932 and the appointment of Messrs. Devidas Vithaldas & Co., as Auditors.

With a vote of thanks to the retiring President the meeting terminated.

APPENDICES

TRANSPORT AND COMMUNICATION

APPENDIX I.

Intermediate Charges between the Producer and his market

Questionnaire of the Special Committee of the Railway Board on the above Subject.

1. Prices of different cottons at Typical Centres, cost in ginning and pressing-cost landed into wagon, *i. e.*, between cultivator and wagon door.

2. Railway freights-sea freight if any Indian cotton comes into Bombay by sea.

3. Port and other terminal charges from wagon door till it is in steamer hold.

4. What are these worked to the per maund basis, or "bale basis" ?

5. What are the types of cotton imported into Bombay from foreign countries ?

6. What are the weights for the last five years ?

7. What are the types of cotton yarn imported into Bombay and what are the weights ?

8. Are none of these cotton or yarns available in India ? If so, why is there an import ?

9. Do Cawnpore and Ahmedabad also require these types—if not why not ?

10. Have there been any "carryovers" of cotton in India in the last 10 years ?

11. Are Broach and Oomras sent out mixed, or pure—if mixed does this adversely affect their market value in Europe-If so why are they mixed ?

12. Has there been any increase or decrease in acreage for causes other than 'climatic' conditions ? If so to what is it attributable ?

13. Do Bombay and Ahmedabad mills use Punjab American—if so to what extent ? Do they demand a mixture of Desi and P. American-would it make any difference if each was brought unmixed ?

14. Has there been any change in the cost of ginning and pressing during the last 10 years--any reason for change ? Has this fluctuated with marked values ? Could percentage of cost to market price paid to agriculturist be provided ?

15. Ditto for all costs, (other than railway freight) in Bombay up to ships hold. Has this fluctuated with market values ?

16. What can you suggest to give the cultivator a better value other than a subsidy by railways, reducing freights ?

17. Would any such reduction actually go to the cultivator ?

18. What proportion of cost of cotton landed in Liverpool does the cultivator get ?

19. Have land-lords reduced their rents in proportion to decrease in values of cotton produced ?

Letter dated 19th September from the Chamber to the Special Committee

As arranged at the interview you had with the Committee of the Chamber, I am sending to you herewith replies of my Committee to the questionnaire set up by you. I am enclosing statements regarding intermediate charges with reference to cotton, wheat and other commodities as under :—

1) re : Banosa cotton } On the basis of cotton
2) re: Khasganj cotton } prices ruling to day.
3) re : cotton on the basis of prices actually paid last year.
4) re : wheat
5) re : miscellaneous seeds and grains.

REPLIES TO THE QUESTIONNAIRE

1. With regard to this question, reference is invited to statements Nos. 1, 2 & 3. It may be mentioned that prices of cotton will differ at different stations and even ginning and pressing charges vary from place to place. The reason for this difference in price is the difference in varieties of cotton, local conditions, local taxation if any, the difference in railway freight and the difference in ginning and pressing charges. We have taken as samples Oomra cotton for which we have given statements Nos. 1 & 3 and also Bengal cotton for which we have given statement No. 2.

2. With regard to this question, a copy of the monogram by Mr. R. G. Saraiya is enclosed herewith for your information. Sea freight for cotton from Kathiawar to Bombay is about Rs. 2 per bale of about 400 lbs.; from Karachi to Bombay it will work out to Rs. 4 per bale.

3. & 4. Assuming that cotton goes direct from wagon door to steamer, the charges would be as under per bale of cotton:—

	1	0	0	Town duty payable to the Bombay Development Department (Bombay Municipality).
	0	12	0	Port Trust export wharfage.
	0	2	0	Cotton Cess.
	0	0	6	Measurement charges.
	0	3	0	Cartage to alongside steamers.
	0	1	6	Loading and unloading charges.
	0	1	0	Port Trust Railway charges.
	0	4	0	Sundries.
Rs.	2	8	0	Total

If the cotton is to be warehoused in Bombay pending shipment, there would be an additional charge for godown rent, insurance and piling and unpiling amounting to Rs. 2 per bale.

5. Egyptian, African and American cottons and also very small quantity from Persia and Russia are imported.

6. Reference is requested to Government records.

7. Counts 20s., 30s., 32s., 40s., and 42s., single and double, were imported before in large quantities, but recently owing to imposition of duties the imports from Japan and China are confined to counts above 40s., only. England has its share in higher counts, but even with regard to this Japan is rapidly replacing England. Mercerised yarn had become practically the monopoly of Japan. Artificial yarns are being imported chiefly from Italy and France.

8. *Cotton*: India does not grow cotton which can replace Egyptian or African cotton for higher counts rising from 40s, to 100s. While some of the best Indian cottons can be used instead of the American cotton, the total supply of such cotton in India is inadequate to meet the demand. This fact together with the relative cheapness of American cotton explains the imports of American cotton.

Yarns: Counts 20s. to 40s. nowadays are being manufactured in the local mills in sufficient quantities displacing the imports of the same. Higher counts from 40s. to 60s. are also being manufactured recently from foreign cotton imports of which are increasing, but the production of this is not in sufficient quantities to meet the demand. The cheapness of the imported yarn is also a factor which would affect local manufacture ordinarily but owing to the force of Swadeshism this factor does not work to the extent to which it would otherwise do.

9. Cawnpore and Ahmedabad require foreign cotton.

10. There is always a carry over; the figures for the period in question can be ascertained from the East India Cotton Association, Bombay. There is nothing unusual in this as there is a carry over in every commodity.

11. Whatever cotton is exported styled as Broach or Oomra cotton is a fair average quality and is not mixed.

12. Increase and decrease will generally depend upon the relative supply of cotton as compared with other commodities as all commodities are now going down in price, there is no tendency to a reduction in acreage with regard to any particular commodity.

13. Bombay and Ahmedabad mills use Punjab cotton when it suits them considering the price at which it is offered and it would not be correct to say that they demand a mixture of Desi and American cotton just because some of the cotton offered is a mixture. If they could get a pure selection the mills would be prepared to offer a higher price and use more of it.

14. There has been a general tendency for costs of ginning and pressing to come down during the last 10 years owing to increasing competition. Ginning and Pressing charges do not depend upon the market values.

15. All costs exclusive of railway freight have a tendency to come down during the last 10 years.

For example insurance is always charged at a percentage on the market value as also charges like measurement brokerage exchange payable to banks depend upon market value and as the market value goes down these charges come down. Labour and cartage charges have also gone down during the last 10 years This has resulted in a reduction of the charges fixed by the Mucadum Association of Bombay for handling cotton.

The cost which had not gone down is the Town Duty payable to the Bombay Municipality.

16. It would be unfair to call a reduction in Railway freight a subsidy by railways inasmuch as railway freights as tabularised at present were based upon the market price which was considerably higher than the present market price. There is no justification for railway freight being paid at a scale which was fixed in 1921 when cotton prices have gone down to an enormous extent. If cotton growers demand a reduction in railway freight *pari passu* with the reduction in the price of the commodity and the reduction in wages

they are surely justified in doing so and cannot be said to be asking for a subsidy.

The following factors will be instrumental in giving to the cultivator a better value for his crops :—

(*a*) Abolition or reduction of the duty paid to the Bombay Municipality:

(*b*) Change in the currency policy of the Government the present exchange rate places 12½ % handicap on the cultivator.

(*c*) Reduction in the land revenue assessment.

(*d*) Provision of better seeds-viram seeds in Oomra Khandesh, and Central Provinces, and Rajpipla cotton in Gujarat Provinces.

(*e*) Reduction in railway freight.

17 Entire reduction will go to the cultivator.

18. Liverpool uses a very small quantity of Indian cotton and therefore the price of Indian cotton is not regulated by the prices ruling in Liverpool.

APPENDIX II.

Reduction of Railway Freight on Cotton

Extract from a press Communique dated 3rd December 1930.

The existing financial position of the railways is so serious that the Government of India could not contemplate a reduction in the freight rates on cotton until the possibility of making good the loss by higher rates on other traffic has been examined.

And the rules of the Indian Railway Conference Association, of which the State-Managed Railways are members, would, in any case, make it impossible to give notices of reduction before February 1 or to bring it into effect before April 1.

The Government of India have, however, instructed the Railway Board to examine the position fully with the object of discovering whether it will be possible to make good the loss from reductions on cotton freights by increases of freights on other commodities.

As soon as this has been done the question will again be considered in the light of fuller knowledge which will then exist of the probable deficit for the current year and the prospects of traffic in 1931-32.

Letter No. 215 dated 29th January 1931 from Chamber to the Railway Board.

My Committee have noted with interest the announcement made by Government in the Press Communique dated 3rd December 1930, that the question of reduction of Railway freight on Cotton is receiving the consideration of Government. They would, in this connection, like to endorse the plea so convincingly put forward by the Indian Central Cotton Committee, for a 20 per cent reduction on freight on Cotton, and my Committee urge that such a step will be of considerable help to the cultivators and the trade. Looking to the present depressed condition of the trade, my Committee hope that this suggestion will receive the sympathetic and prompt consideration of Government.

From the concluding paragraph of the Communique referred to above, my Committee observe that the Railway Board are examining the possibility of making good the loss in freight earnings entailed in such a reduction by increasing freight rates on other commodities. They have given this aspect of the question their earnest consideration and they feel that an increase in freight rates on Sugar, Marble and Stones may well be considered. They are of opinion that the "traffic" on these two items will be able to "bear" such an increase in rates, and that the realisation from these two items will make up the loss, if any, sustained through the reduction in freight on Cotton.

Letter dated 26th August 1931 from East India Cotton Association to Chamber

I am directed to inform you that the Board of Directors of my Association have decided upon taking immediate steps with the help and collaboration of the Bombay Chamber of Commerce, the Bombay Millowners' Association, the Indian Central Cotton and your Chamber with a view to making a joint and influential representation to the Government of India and also to the Railway Board urging upon them the imperative necessity of making a reduction in the freightage on cotton in view of the unparallelled depression in the trade and the persistent and catastrophic drop in the prices of this commodity with the object of giving some measure of relief to the grower of cotton.

With a view to implementing this resolution they have appointed a Committee of the Board consisting of Messrs. Haridas Madhavdas, (Chairman), W. G. McKee, Purshotam Jivandas and S. B. Dalal to confer with representatives of the Committees of the bodies referred to above. I am, therefore, to request you to move the Committee of your Chamber to nominate two representatives to serve on this Committee and to communicate their names to me on or, before the 31st instant.

Letter dated 2nd September from Chamber to the East India Cotton Association

I am directed to acknowledge the receipt of your letter of the 26th August, No. 9211-E-235. My Committee have nominated Mr. Walchand Hirachand and Mr. Ratilal M. Gandhi as their representatives to serve on the Committee appointed by you with regard to freight on cotton.

My Committee were informed that Government are undertaking an investigation through a Committee into the incidence of the cost of Railway freight on various agricultural products from field to destination. They are addressing the Railway Board about the results of these investigations and my Committee may consider the desirability of taking up the comprehensive question affecting various commodities.

Telegram dated 18th Saptember to the Government of India sent by the joint Committee above referred to

"Joint meeting of representatives of Bombay Chamber of Commerce, Indian Merchants Chamber, Indian Central Cotton Committee, Millowners Association, and East India Cotton Association unanimously resolved yesterday that Government of India be approached with request for immediate reduction all round of 50% in cotton freights in view of the unparallelled and catastrophic fall in prices and the anticipated further fall therein owing to large carryover in the worlds cotton market before the Indian crop begins to move in bulk stop committee apprehend inaction on part of Government will militate against free movement of crop hamper free trading and result in acute agrarian discontent and subsequent loss of land revenne to Government stop Committee suggests loss of revenue consequent upon acceptance of its proposal be made up by *increasing freights on imports and by rigid retrenchment* and economy in Railway Administration stop Committee confidently hopes Government will give most urgent and sympathetic consideration to the proposal before it is too late as otherwise consequences to the premier industry of India and the grower of cotton would be disastrous and its repercussions on Government revenues alarmingly tremendous stop Committee feels that prompt action is the essence of any measure of relief to the cultivator of cotton whose condition is nearing starvation point owing to the unprecedented fall in prices stop Datailed communication will shortly follow-Chairman Committee,

Letter dated 5th October from the Joint Committee to the Railway Board

I have the honour to inform you that the Board of Directors of the East India Cotton Association, Limited, which is the sole Corporate Body recognized by Bombay Act No. XIV of 1922, and constituted for the purpose of regulating and controlling transactions in cotton considered in August last the serious situation that has arisen in the Cotton Trade owing to the unprecedented and

catastrophic drop in the prices of cotton and resolved that immediate steps should be taken with the help and collaboration of the Bombay Chamber of Commerce, the Indian Merchants' Chamber, the Bombay Millowners' Association and the Indian Central Cotton Committee with a view to making a joint representation to the Government of India and also to the Railway Board urging upon them the imperative necessity for making a substantial reduction in cotton freights with the object of giving some measure of relief to the grower of cotton in his present miserable plight.

2. A joint meeting of the Committee, upon which representatives were nominated by the four bodies referred to above, was held on the 17th September when it was unanimously resolved that the Government of India and the Railway Board should be approached with a request for an immediate reduction of 50% in all Indian grown cotton freights in view of the fall in the prices and the anticipated further fall therein owing to large carry-over in the world's cotton market, before the Indian crop begins to move in bulk.

3. In view of the trough of depression in which cotton growers now find themselves in common with the growers of other commodities and in order to obviate the present situation in the premier trade from developing into a veritable crisis, the Committee desire to impress upon the Government that procrastination of action on their part results in acute agrarian discontent and subsequent great loss of land revenue to Government. They feel that prompt action on the part of Government is the essence of any measure of relief to the cultivator of cotton, whose condition is nearing starvation point owing to the unprecedented fall in the prices of cotton, even when compared with those of the pre-war period. Forestalling the Government's plea, *viz.*, financial stringency, the Committee beg to suggest to the Government that the loss of revenue consequent upon the acceptance of their proposal could be made up by enhancing railway freights on imports and by adopting a policy of rigid retrenchment and economy in Railway Administration. The Committee confidently hope that Government

would give their most urgent and sympathetic consideration to their proposal before it is too late, as otherwise consequences to the premier industry of India and especially the grower of cotton would be disastrous in the extreme and its repercussions upon Government revenues alarmingly tremendous.

4. It is a significant feature of recent policy of the Government of India that while the steel and other industries have been assisted by bounties or tariffs, and the coal industry by reduced railway freights, no such encouragement, except in the recent case of wheat, has been given to our most important national industry Agriculture of which cotton is the most important product both in point of bulk and value. The Committee feel that cotton undoubtedly has the strongest claim to a reduction because it more than any other product of this country has helped to build up the Railway's reserves and because the largest number of farmers would stand to benefit. Further, cotton in common with all the other commodities has to compete with that of America, Egypt and Uganda. Anything therefore which can be done to reduce the *f. o. b.* cost of Indian cotton will correspondingly mean better prices for Indian producers.

5. The Committee realize that the Railways are not doing too well under present trade conditions in the country but their financial position, though not so strong as it was three years ago the farmers' condition is nearing starvation point owing to the unprecedented fall in raw produce during recent months. The Committee feels most strongly, therefore, that the time has arrived to help the farmer in his present unenviable plight. Another point which the Committee desire to emphasize is that the present tendency in all countries is to reduce railway freight rates, particularly, on raw produce, in order to assist the farmers in their present difficulties. An announcement was made last year in the United States of America according to which freights on cotton were generally revised and it is understood that this revision entails, on an average, a considerable reduction in rates.

6. It is a matter of common knowledge that ocean freights follow the course of trade and that if trade is bad they are reduced,

whereas the post-war railway freights have remained constant, at a level which was fixed during the boom period notwithstanding the unparallelled trade depression in the country. Cotton prices in the world have registered a steady downward trend during the last 15 months. Bad trade resulting in restriction of consumption and large crops all over the world have caused an accumulation of actual and visible stock well beyo nd the normal requirements of the trade Prices further continue to be depressed as this year's crops all over the world are large enough not only to maintain but also to increase, the world's carry-over at the end of 1930-31. In view of the abonormally large crops and the low prices which are reduced to a level below the pre-war basis, the condition of the grower of cotton has gone from bad to worse and it appears probable to the Committee that the growing of Indian cotton is at the present juncture an uneconomical proposition as the return to the cultivator on the basis of the present level of prices is very meagre indeed, or, perhaps none at all.

7. Since the outbreak of the war railway freights on cotton have been increased three times, namely, in 1918, 1919 and 1922 and to day rates are still on the same level as they were in 1922 in spite of the fact that a heavy decline has been registered in the prices of cotton. The average rate of Broach cotton in 1922 was Rs. 487 per candy. Broach cotton touched Rs, 132 per candy on the 20th August 1931. It is, therefore, obvious that there has been a huge drop of 73 per cent. in the price of cotton. The cotton freight rates to Bombay to-day so far as the stations in the Bombay cotton territory are concerned as compared with 1913-14 have increased from Khamgaon by 38%, from Khandwa by 44%, from Dhulia by 72%, from Amraoti by 80%, from Nagpur by 126% and from Broach by 179%. Sind Punjab cotton is sent to Karachi as that Port is nearer to the producing centre than Bombay. In the same way the cotton freight rates to Karachi have increased from Tando Adam by 76%, from Multan by 108%, from Lyallpur, Kasur and Lahore by 130%, from Sargodha by 146%, and from Ambala by 207%.

8. The Committee are aware that reductions have been made during the past few years in the passenger fares, parcel and luggage rates, while in the case of goods rates have also been reduced on coal and also on Kerosene, manure, oil cakes and jagree. All these reductions have presumably been made with a view to securing traffic and cotton has been left out, because the Railway Authorities have eventually considered that reduced rates are not likely to help to increase traffic. Whatever have may been the reasons in the past for the increase in cotton freights, the Committee think the time for a substantial reduction has now come because firstly, this commodity has probably helped more than any other to bring about a very satisfactory financial position to the Railways; and secondly, the present rates are a very heavy additional tax on the producer.

9. The Railway Authorities may perhaps be inclined to argue why any protest against the ruling freight rates has not been lodged by the cotton trade and by producers at an earlier date since the last increase was imposed as far back as the autumn of 1922. The explanation is simple. The years commencing with the season 1922-23 till the end of 1925 were marked by very high cotton prices and big cotton crops in India and in spite of the increased freight charges the producer was still getting a very handsome margin on his cotton: while the trade was still flourishing because Indian cotton was in good demand owing to its comparative cheapness to American cotton. Since 1926 the situation has however changed completely. That year produced the record crop of 18 million of bales in America, and prices dropped for some time to pre-war level. The farmer consequently has had to sell his cotton at a considerable loss as his cost of production has, of course, increased since pre-war days. To-day the cotton prices at Indian ports are below pre-war level. The farmer, therefore, is probably worse off to-day than he was before the war because he has to bear on top of the high cost of production the increased railway freight charge.

10. In the view of the Committee the present high incidence of freightage is a severe handicap upon the cotton trade. By this they do not mean to say that cotton cannot be exported from the growing centres owing to the high railway freight. The surplus must, of course, eventually be exported whether freights are high or low, as India cannot consume more than 50% of the crop grown.

But if the farmer is not getting economic prices for his commodity, he is likely to curtail the production which must naturally affect land revenue, trade and the railways and he is also apt to hold up his stocks for better prices and trade becomes dislocated as was the case in 1927 when farmers held up large quantities, particularly, in the Oomra districts, which eventually they had to sell at ruinous prices. Had the railway freights been lower, the farmer would probably not have been tempted to the same extent to adopt the hoarding policy and trade would have tended to go on more smoothly and with less interruption,

11. An interesting and instructive monograph written by Mr. R. G. Saraiya, a member of the Committee, which sets forth in lucid terms the case for a substantial reduction in cotton frights by reason of a perpendicular drop of nearly 73% in the prices of the commodity and the inevitable further fall which it is anticipated is more than likely to eventuate owing to the pressure of hedge selling in the cotton growing countries is annexed hereto for the information and study of your Board and the Committee trust that the Board will give their anxious and sympathetic consideration to the same. The Committee particularly wish to emphasize the point made out by Mr. Saraiya in his monograph and which needs no further elaboration, *viz.*, that the incidence of railway freight has gone up from 6% to 17%, that is to say, it is now nearly three times the pre-war incidence.

12. The Committee wish to reiterate that promptness of action is the essence of any measure of relief which your Board may recommend to the Government of India should be given to those engaged in the growing of this premier agricultural product. The Committee cannot too strongly impress upon the Governmment of India and your Board the supreme urgency of discharging their primary duty to the grower of cotton, particularly having regard to the present financial and economic distress that prevails in the country. The Committee entertain grave fears that inaction on the part of the Government at this critical juncture in the history of the cotton trade would result in disorganisation of the Trade and consequent repercussions upon their own revenues.

13. A statement showing the Indian area, crop, yield per acre and average price for the season and the percentage price on American cotton for the years, 1900-01 to 1930-31 is attached hereto

Statement showing Indian area, crop, yield and price, 1900-31.

Seasons.	Area (Acres) 000's	Crop (bales of 400 lbs) 000's	Yield per acre (lbs.)	Season's Average price, (in d. per pound) No. I Fine Oomra.	Season's % on American.
1900-01	14,231	2,953	83	4·37	85
1901-02	14,506	2,745	75	4·19	88
1902-03	16,581	3,367	81	4·47	92
1903-04	18,025	3,161	70	5·56	80
1904-05	19,918	3,791	76	4·62	94
1905-06	20,401	3,416	67	5·00	84
1906-07	22,488	4,934	88	4·87	76
1907-08	21,630	3,122	58	5·03	81
1908-09	19,999	3,692	74	4·94	90
1909-10	20,545	4,719	92	6·31	80
1910-11	22,596	3,889	69	7·03	90
1911-12	21,615	3,288	61	5·63	93
1912-13	22,028	4,610	84	6·16	91
1913-14	25,023	5,066	81	5·88	81
1914 15	24,595	5,209	85	4·46	85
1915-16	17,746	3,738	84	6·09	81
1916-17	21,745	4,489	83	10·32	84
1917-18	25,188	4,000	64	18·78	87
1918-19	20,997	3,972	76	18·13	92
1919-20	23,352	5,796	99	19·13	76
1920-21	21,340	3,600	67	9·20	77
1921-22	18,451	4,485	97	9·60	85
1922-23	21,804	5.073	93	11·14	75
1923-24	23,636	5,161	87	13·35	74
1924-25	26,801	6.088	91	11·95	87
1925-26	28,403	6,215	88	8·97	83
1926-27	24.822	5,024	81	7·18	88
1927-28	24,761	5,963	96	9·21	83
1928-29	27,053	5,782	86	8·03	76
1929-30	25,922	5,125	79	6·39	70
1930-31	23,616	4,820	82	4·04	71

APPENDIX 3.

Railway freight on grain and seeds.

Letter No. 2057, dated 17th October 1931, from Chamber to the Railway Board.

I am directed to send you herewith a Memorandum submitted to my Committee jointly by the Grain Merchants' Association and the Seeds Traders Association, Bombay, on the need for reduction of railway freight rates on grains and seed. Committee are in agreement with the appeal for reduction.

They are aware that the reduction in the earnings of the Railways, consequent upon any such reduction of freight rates, would have some effect on the finances of the Railways at the present juncture. In this connection, they would commend for the serious consideration of, and adoption by the Board, the suggestion made by the joint Committee of this Chamber, the Bombay Chamber of Commerce, the East India Cotton Association, the Bombay Millowners' Association and the Indian Central Cotton Committee, in their telegram dated 18th September, that the loss consequent on such reduction in revenue may be compensated by increasing freight rates on imported articles.

Railway Freight Rates on Grain and Seeds a Plea for their Immediate Reduction

Statement by the Grain Merchants' Association and Seeds Traders' Association, Bombay.

The most remarkable event in recent times in the economic situation of the world has been the precipitate fall in the prices of agricultural produce. After the close of the last World War, the depression which overtook the world was supposed to be of a short duration, and it was believed that after the short wave of pessimism a healthier tone would be imparted in the economic activity of the world, and that prices would again recover from their low level.

Events however have falsified this hope. Various causes have conspired to depress the prices of commodities still further with the result that the last decade registered a steady decline in prices. This has been more pronounced in the case of agricultural produce than in the case of industrial commodities, with the result that the countries which have been predominantly agricultural are undergoing very acute economic distress.

2. As a consequence of this unprecedented depression the economic equilibrium of the whole world has been disturbed. National finances which were already put to the greatest strain on account of the reparations and international financial transactions have had to meet severer crisis inasmuch as no country in the world is in a position to balance its budget. The large stocks of agricultural produce and the publication of the Five Year Plan by Russia are still factors which point to the continuance of the depression. In the circumstances it is but just and proper that the agriculturist who has been the hardest hit should be assisted so that he can at least get the equivalent of his labour. As a matter of fact, on account of the disparity in the fall of values, while the agriculturist gets a very low return for his produce, his expenses have remained more or less stationery. The land revenue demand, the wages bill and the other miscellaneous items of his expenditure have all remained either stationery or registered a very small decline. A close examination of his balance sheet shows the alarming fall in his net income. In a number of instances the value that he realises is not even sufficient to meet the expenses of agriculture which he undertook. The present statement means to convey the extent of this tendency so far as the grain and seeds products of India are concerned. The following table gives a vivid comparison in the fall of prices of oil seeds from 1928 to 1931 :—

	Price F. O. R. despatching station without gunnies.	
	1928.	1932.
	per cwt.	
	Rs. a. p.	Rs. a. p.
Linseed Bold.		
Cawnpore ...	9 3 0	5 10 6
Latur ...	9 1 6	5 8 6

Groundnuts Bold.

Gulbarga	...	10	10	9	5	1	6
Sholapur	...	10	13	9	5	4	6
Kolhapur	...	10	14	9	5	5	6
Latur	...	10	8	9	4	15	6
Barsi	...	10	12	9	5	3	6

Castorseeds.

Jadcherla	...	8	6	9	5	4	6
Harij	...	8	11	6	5	9	0

The prices for 1931 are, for the last week after the drifting of the sterling from the Gold Standard, about 12 per cent more than what they were before a month so that if we take the figures of a month before, the difference becomes all the greater. Generally speaking, the prices of oil seeds have gone down by 50 per cent, and in a country like India which produces about 60 lakhs of tons of oil seeds such an alarming fall in prices would diminish the income of the agricultural population to the extent of at least 75 to 80 crores of rupees only in the oil seeds group. While we add to this, similar figures for cotton and wheat and jute, it is small wonder that the economic equilibrium of the whole country should have been totally upset. It is, therefore, in a way remarkable that in spite of this astounding depression the poor dumb millions of India have been patiently undergoing their suffering and praying for a return of the better times. Under the circumstances, it is of paramount importance to take immediate steps to help the agriculturist to get as better a return for his produce as possible. In the case of all the grains and seeds, the prices of these commodities are regulated by world factors and the internal price-level rises or falls in harmony with world conditions, so that all the charges and expenses on the handling or movement of these commodities fall on the real producer. The only course, therefore, open to the producer is to cut down his costs to as great an extent as possible. So far as land revenue is concerned, the present finances of the Government of India and the determination of the authorities to squeeze every pie from the cultivator do not hold out a very bright prospect of

an instantaneous reduction in this demand, though for the restoration of the economic equilibrium a permanent substantial reduction in the land tax is absolutely necessary. The wage bill also cannot immediately respond to the lower level of prices on account of the operation of the economic law, that wages follow prices. The only avenue, therefore, for an immediate reduction in the cost is to seek for ways and means to cut down handling and overhead charges and freight rates.

3. On a study of the proforma invoices of certain commodities, which have been given in the appendix, it is apparent that the handling charges on the agricultural produce by the time it reaches exporting ports take up a very large portion of their prices. Roughly, the amount will be about 30 to 55 per cent., and in these items of expenditure the freight bill occupies by far the most prominent position. It is important to remember that in spite of this precipitate fall in prices, the railway rates have not at all been revised, except in case of wheat to some extent, to give any relief to the agriculturist or to keep up the proper ratio between the freight rates and the value of the commodities. The present railway rates which were fixed when prices were high, and which were again revised in the boom time after the close of the war, have been kept up at their old level. They, at the present level of prices, represent a kind of taxation which becomes all the more inequitable when we remember that it falls on shoulders which are least capable to bear.

4. The following table clearly shows the proportion between the value of the agricultural produce and the freight rates charged thereon in 1928, before the present fall began, and in 1931 :—

	1928.						1931.					
	Price F. O. R. despatching station without gunnies.			Rate of Rly. Frt. per cwt.			Price F. O. R. despatching station with out gunnies.			Rate of Rly. Frt. per cwt.		
	Per cwt.						Per cwt.					
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Linseed Bold.												
Cawnpore	9	3	0	0	14	6	5	10	6	0	14	6
Latur	9	1	6	1	0	0	5	8	6	1	1	0

Groundnuts Bold.

Gulbarga	10	10	9	1	0	7	5	1	6	1	0	7
Sholapur	10	13	9	0	13	7	5	4	6	0	13	7
Kolhapur	10	14	9	0	12	7	5	5	6	0	12	7
Latur	10	8	9	1	2	7	4	15	6	1	2	7
Barsi	10	12	9	0	14	7	5	3	6	0	14	7

Castorseed.

Jadcherla	8	6	9	1	4	5	5	4	6	1	4	5
Hariji	8	11	6	0	15	10	5	9	0	0	15	10

It is clear from this that the freight rates which represented something like 10 per cent. of the value of the commodities now amount to nearly 20 per cent. and in some long distances they represent even 25 per cent. Clearly, therefore, they are a heavy burden on the trade.

5. Again an examination of the pro-forma invoices of 25 tons of linseed despatched from Cawnpure and sold at Bombay at about Rs. 5-3-0 per cwt., the rate prevailing a fortnight ago, brings out the large item of freight rates in the cost of handling and also shows the very poor net return to the agriculturist after all the expenses have been properly deducted. The value of 25 tons of linseed at Rs. 5-8-0 a cwt. in Bombay comes to Rs. 2,750, out of which a sum equal to more than Rs. 725 has to be deducted in order to find the return to the agriculturist of the same produce in the village market where he has probably sold his produce. In this total of Rs. 725, Rs. 450 represent the amount of freight which has been paid for the movement of the produce. This clearly shows the grossly extraordinary proportion of freight charges and the expenditure on handling.

6. Taking another instance of groundnuts the pro-forma invoice of 25 tons of groundnuts sold at Bombay at Rs. 6-4-0 a cwt. shows the net value in Bombay at Rs. 3,125, out of which the total expenditure including the export duty on oil seeds levied in the Nizam's Dominions amounting to Rs. 112-8-0, total Rs. 1,133 in which by far the largest item *viz.* Rs. 580 represnts the charges on

freight. Roughly speaking, therefore, the percentage of freight rates and handling charges comes to 50 to 60 per cent.

7. The same is the case in regard to wheat, the depressed condition of the trade of which has been a subject of close observation and lengthy discussion between the commercial bodies and the Government of India for the last year and a half. The sub-joined figures of the cost of handling of wheat which have been supplied by a prominent firm interested in the wheat trade, show that while the value of wheat in the upcountry markets is Rs. 2.45, the cost of handling the same for moving it to Bombay amounts to Rs 1·20 in which about Rs. 0-87 is the freight bill which represents 72 per cent of the handling charges.

8. Similar figures for castorseeds and other grains and seeds tell the same tale.

9. The conclusion from a study of these facts is irresistible. It is that if the great mass of the agricultural population is to be given any relief from their acute distress instantly, it is necessary to cut down the handling charges, of which railway freight represents by far the largest proportion. The examination of the other items of expenditure does not show any substantial possibility of an immed ate reduction. For instance, the bagging charges which amount roughly to Rs. 120 for a lot of 25 tons cannot possibly admit of reduction Similarly, the labour charge will take a good deal of time to settle down to the altered conditions. And the heavy cost of the trade of Bombay coupled with high level of municipal expenditure in the City and the costliness of life in Bombay do not admit of a very appreciable reduction in the handling charges which are incurred at Bombay and which roughly amount to Rs. 40 for a lot of 25 tons.

10. The demand for reduction in freight rates is again a demand which is not only expedient but just and equitable also. Judging from the principle that the freight rates on the movement of a commodity must bear a proper proportion to its value, the claim for reduction in freight charges is based on the most solid ground. A reduction of 50 per cent. in the value of the commodities must be accompanied, therefore, by a similar reduction in the freight charge. If that is disallowed, the result is that it becomes practically

impossible to move the commodities, and the consequent locking up of produce at the place of production will make the situation worse and will deprive the railways of whatever earnings they would otherwise be in a position to make. Exactly the same situation arose in the Punjab, where last year there was a surplus of a million tons of wheat and the prohibitive cost of freight made it practically unprofitable to move the wheat to the other parts of the country like Karachi and Calcutta where we found the astounding prospect of foreign wheat supplanting Indian wheat at Calcutta when India had already a huge surplus of one million tons of wheat. It was after strong protests from the commercial community that the authorities saw their way to reduce the freight rates to the exporting ports with a view to give some relief to the agricultural population. The reasons, however, of this controversy do not seem to have carried enough conviction to the railway authorities so as to impress upon them the need for introducing a similar reduction in the freight rates charges on other kinds of agricultural product like cotton and oil seeds which are by far the most importane commercial crops along with wheat and jute. In the meanwhile, in spite of the depreciation of the Indian currency in relation to gold the prices of agricultural produce do not seem to show any appreciable increase and the prospect seems to be as gloomy as before. The greatest desideratum is, therefore, to take urgent steps to bring about a reduction in freight rates if only for doing the barest justice to the great mass of the agricultural population of the country.

11. In this connection it is pertinent to observe that at the last session of the Federation of Indian Chambers of Commerce and Industry held at Delhi in last April, the first resolution that was moved was pertaining to the same subject. In the resolution, while viewing with alarm the abnormal depression brought about by unprecedented fall in the prices of agricultural produce specially wheat, cotton, groundnuts, jute, etc., the Federation deplored the general apathy of Government in giving immediate relief to the agricultural population of the country and suggested to them the acceptance of a substantial reduction in the railway freight on agricultural produce which would result in stimulating a greater volume of trade. While submitting the resolution, Mr. Walchand

Hirachand stressed the necessity of reduction of rates and said. "I feel certain that the reduction in rates will stimulate traffic and the actual deficit of the Government might turn out to be some what less than anticipated. As the distress is very acute and widespread, I would suggest that the proposed reduction should be effected at the latest by next August or September when the agriculturist begins to think of moving for selling his produce." The time for putting into effect that resolution has arrived and it demands a greater urgency of action on account of a further fall in the values of agricultural commodities.

12. It is in this connection interesting to recall the speech of the Railway Member while introducing the Railway Budget for 1931-32. In paras 24-27 Sir George Rainy touched upon the question of reduction of freight rates and their necessity, but it is painful to note that the arguments he has urged for refusing the claim of oil seeds for reduction in freight do not carry any conviction at all. "The general fall in world prices of agricultural produce", said Sir George Rainy, "has had a most serious effect on the position of the cultivating classes in India, and notwithstanding the very grave position of the Railway finance we have had to consider whether it was possible to reduce the railway freight on agricultural products"... While discussing the claims of oil seeds Sir George Rainy continued: "So far as oil seeds are concerned, the case stands thus: The groundnut crop which is grown mainly in the south of India is moving freely to the ports at the existing level of freights, and I may point out that on the Madras and Southern Mahratta and South Indian Railways the maximum lead to the ports does not exceed 350 milles, so that the railway freight is not likely to prove so burdensome as it may do when agricultural produce has to be brought to a port from a distance of 600 to 900 miles in Northern India. As to the other classes of oil seeds the position appears to be this, that the Indian price in several cases is more above export parity and that a reduction in railway freight would make no difference....So to the conclusion that at the moment there is nothing to be done, but that the position requires to be kept under constant observation because the level of prices might so change that a reduction in freight would be beneficial both to the cultivator and to the Railways." The gist of the argument of the Hon'ble the

Railway Member is that there is nothing to reduce freight rates because in spite of heavy freights the commodities all the same move; and secondly, that the distances of ports in Bombay Presidency and South India do not exceed 350 miles, and that therefore the freights do not represent a very heavy proportion in expenses. Both the arguments can be easily disposed of. In the first place, to say that because a commodity is sold even after paying a very heavy bill for freight, is to ignore the real state of economic distress in the country. Indeed, the very fact that in spite of practically no return for his whole year's labour to the agriculturist, he is prepared to sell his produce for a ridiculously low price and to bear the heavy cost of handling, shows that he is reduced to such dire distress as to make him part with his produce for any amount that he can realise. The insistent demand of Government for land revenue and the urgent necessity of meeting even with his scanty wants coupled with the other demands upon his purse, all goad him even to make non-economic bargain of his produce, and therefore to urge the argument of the Railway Member betrays a lack of the appreciation of the real economic situation in the country. Secondly, the argument of shorter distance does not carry much conviction. The foregoing figures of the percentages of freight clearly show that the freights far from being a small proportion take up as much as 25 per cent. of the value of the commodity. Besides even the Railway Member himself has admitted the justice of the claim for reduction in distances over 600 miles. It is therefore but reasonable that he should have at once taken up the question of reduction of freights on linseed, etc., from places like Cawnpore. Besides he himself in the concluding portion of his speech in para 25 admitted the possibility of reducing freights and at the same time adding to the revenues of the Railways.'

13. There is another matter which also demands an urgent consideration and even in his speech on the Railway Budget Sir George Rainy has shown himself to be alive to that consideration. While admitting the possibility of reducing freight rates on cotton he envisaged the prospect of a reduction in the area of cotton in case the rates were not lowered, and its effect on the agricultural economy. He said in para. 26, " A permanent reduction in the area under cotton in India will undoubtedly be injurious to the ryot,

would affect the Railways prejudicially in two ways; first because the cotton traffic itself would diminish, and second because food crops would probably be grown in the areas taken out of cotton with a consequent reduction in the Railway traffic in food-grains transported to these areas. This is an aspect of the case which will constantly be borne in mind." It is therefore clear that even the Railway authorities are quite alive to the necessity of keeping up the proportion of commercial crops as opposed to food crops, and on a parity of reasoning with the possibility of the cultivation of oil seeds becoming uneconomic, there is every likelihood of these crops also of giving place to the cultivation of food grains, with the attendant falling off in the earnings of Railways and in the prices of foodstuffs.

14. Finally the fact cannot be gainsaid that the whole administration of Railways will have to adjust itself to the new conditions and therefore immediate reduction in railway freights is the first desideratum for the relief of the agricultural population.

Appendix I.

Cost of agricultural produce from field to up-country market to the farmer, his realisation in the up-country market and cost of carriage of same to Bombay from up-country market on the basis of 54 Bengal Seers equal to 1 Cwt:—

		In decimals
Cartage to farmer from field to up-country market taking an average distance of 20 miles	...	Rs. 0.15
Brokerage, Adat etc., to the farmer at the market	...	,, 0.03
Realisation to the farmer per Cwt. at Srs. 22 per rupee Rs. 2.45 less the above items Rs. 0.18	...	,, 2.27
Cost to the up-counrry merchant per Cwt.	...	,, 2.45

Add expenses up to the sale to the up-country merchant.

Brokerage, Cartage from Farmer to Godowns, cleaning, twine and cartage to station etc. ... Rs. 0.15

Bagging	...	„	0.12
Freight to Bombay average at 10 as. per Bengal Maund	...	„	0.87
Cartage from Station to Godown	...	„	0.05
Commission, Brokerage, Insurance, Adat etc.,	...	„	0.15
Town duty in Bombay	...	„	0.06
			„ 1.40
Total per Cwt.	...		Rs. 3.85

Appendix II.

Railway freight on certain agricultural produce:—

		Rs.
Bajri.	*Price in the producing centre (Cawnpore—700 miles)	11
	*Railway freight from Cawnpore to Bombay	10
	Total cost in Bombay	21

Note 1. *Per candy of 27 Bombay Maunds.

2. Freight from Cawnpore to Wadi Bunder is about Rs. 0-9-0, while the freight from Cawnpore to Bhusaval or Jalgaon is Rs. 0-9-6 or so, although these places are only 400 miles (about) from Cawnpore. Then again the freight from Gadarwada, a place 75 miles nearer Bombay, is Rs. 0-11-6 (compared to Rs. 0-8-6 from Jubbulpore, which is 75 miles farther off from Bombay.)

Jowari. Price in the producing centre (Banda Jilla, near Cawnpore per candy of 27 maunds.) Rs. 11

Railway freight about per candy of 27 maunds 10

Note. The price at the producing centre has risen recently, as the dealers there withheld their stocks for some time; it was Rs. 7 per candy some months ago (during the season) *i. e.*, the freight burden was heavier then.

Barley. Price in the Punjab : per maund (Bengal) 1 0 0
Railway freight per Bengali maund (800 miles) 0 15 0

Kalthi. Kalthi was largely imported from Bezwada District, but the imports have stopped recently owing to the heavy freight.

The present price is Rs. 10 per candy
While the freight is Rs. 7 to Rs. 8 ,,

It is therefore imported from Ahmednagar (nearer to Bombay) and from Kathiawad (owing to cheap ocean freight).

Nagli. (Chiefly used by Konkanis)

Price in Nasik District (per candy) Rs. 7
Railway freight do. ,, 4

Cotton Seeds. Price at Pachora (per candy of 7 maunds) ,, 6
Freight to Bombay ,, 4

It is reported that many agriculturists had to burn their crops, as they could not find any market for their crops owing to the heavy railway freight. During the period when the reductions in freight were in force, the traffic booked amounted to 4 or 5 times the pre-reduction bookings.

Betel leaves.

Price at the producing centre about 4 as. per basket.
Railway freight ... ... 10 ,, ,, ,,

Appendix III.

Particulars showing incidence of Railway Freight and other expenses on the cost of agricultural produce.

Groundnuts. 25 tons (320 bags) brought down to Bombay market from Latur Station (in Nizam's Districts) and sold in Bombay market on the basis of prices ruling in the first half of September 1931.

							Rs.		
Amount realised in Bombay market at the rate of Rs. 6-4 per cwt.,						...	3,125	0	0
Less expenses incurred in Bombay:									
Commission & Brokerage				Rs.	39	0 0			
Less railway freight				„	580	11 8			
Less expenses incurred at Latur:									
Decorticating and cleaning groundnuts in shell and filling &c.		Rs.	160	0	0				
Cartage to Dect. factory		„	61	4	0				
Gunnies, twine etc. (including duty on gunnies)		„	125	0	0				
Cartage & labour		„	26	8	0				
Commission and Bokerage		„	12	8	0				
Interest for 5 days		„	3	8	0				
Export duty from Nizam State		„	112	8	0	501 4 0			
Less expenses for bringing goods to up-country market from interior						... 20 0 0			
							1,140	15	8
							Rs. 1,984	0	4

Appendix IV.

Particulars Showing incidence of Railway Freight and other expenses on the cost of certain Agricultural produce.

Linseed. 25 tons (300 bags) brought down to Bombay market from Cawnpore and sold in Bombay marke on the bassis of prices ruling in the first half of September 1931.

					Rs.		
Amount realised in Bombay market at the rate of Rs. 5-8 per cwt					2,750	0	0
Less expenses incurred in Bombay.							
Commission and Brokerage			Rs. 34	6 0			
Less railway freight			„ 453	2 0			
Less expenses incurred in Cawnpore :							
Gunies, twine etc,	Rs. 95	0 0					
Commission and brokerage	„ 16	4 0					
Cartage and labour charges	„ 32	0 0					
Interest for 10 days	„ 7	8 0					
			„ 150	12 0			
Less expenses for bringing goods to up-country market from interior ...			„ 75	0 0	713	4	0
					2,036	12	0

APPENDIX 4.

Increase in terminal charges on Cotton.

Telegram dated 6th March from Chamber to the Government of India.

Committee Indian Merchants' Chamber are given to understand that the Bombay Baroda Central India Railway have suddenly put up freight on cotton from various upcountry stations to Bombay. Such a freight if it is going to be levied would be a very serious matter under the present conditions when cotton is hit so hard Committee are surprised that such an increase should be put up when Government in reply to the Indian Central Cotton Committee for reduction in freight on cotton said that they were sympathetically considering the proposals. Coming as it does in the middle of the season it is likely to upset all trading calculations. Such an increase again will be a further handicap to the local cotton textile industry. Committee will be obliged if Government will inform them if there is going to be such an increase in freight on cotton and if this is correct Government will kindly abandon the idea of any increase in freight on cotton.

Letter No. 1505-T dated 28th March from Railway Board to Chamber.

I am directed to refer you to the Railway Board's letter No. 1505-T, dated the 13th March 1931, acknowledging the receipt of your telegram of the 6th idem regarding the enhancement in the rates for cotton on the Bombay, Baroda and Central India Railway, and to state that the Railway Board have been advised by the Agent, Bombay, Baroda and Central India Railway that the enhancement in the rates for cotton was incidental to an increase in the terminal charges from 12 to 16 pies per maund on local goods traffic, which had effect from 1st March 1931. The Agent, Bombay, Baroda and Central India Railway, however, states that in view of the representations received by him, explaining the difficulties which this small increase may have on the trade, he has decided to make an exception in the case of cotton, full-pressed, booked to Bombay by not levying thereon the enhanced terminal charge during the current cotton season, *viz.*, up to the end of August 1931.

Letter No. 1655 dated 21st August 1931 from Chamber to the Agent, B. B. & C. I. Railway.

On 6th March 1931, the Committee of the Chamber had occasion to protest against the enhancement of the terminal charges from 12 pies to 16 pies per maund on local goods traffic. They had then pointed out that it seemed rather strange, that when a small Railway, like the Bombay Port Trust Railway, was, with a terminal charge of 6 pies per maund, able to make it a paying proposition, it should not be possible for a much bigger Railway, like the B. B. & C. I., to work with equally good results, with a scale of charge twice as much. Though your Railway did not see its way to desist from increasing the scale you were, having regard to the hardship which this increase may cause to the trade, good enough to make an exception in the case of cotton, full-pressed booked to Bombay, by not levying thereon the enhanced terminal charge during the current season, *viz.*, up to the end of August,

Now that the period for which this exception was made is coming to an end, the question, whether the Railway will apply the enhanced rate to cotton, has been brought before my Committee. You cannot be unaware that the condition of the cotton trade is not any better. If at all, it has deteriorated further, Cotton is selling about Rs. 70/- per candy lower than in March last, *i. e.* at a price which may be said to be well under the cost of production. In fact, the prices are at about the lowest recorded in the present century.

As you are aware, there has been an insistent demand during the last one year for a reduction by about 20 per cent. in the freight rate on cotton. Any increase, therefore, directly or indirectly, should be ruled out. My Committee would, therefore, like to be assured that the railway administration will be pleased to exempt cotton from the enhanced terminal charge.

Letter No. T.323-31 dated 31st August 1931 from the B. B. & C. I. Railway to Chamber.

In view of the representation contained in your above, I am agreeable to retain the present rate of terminal in the case of cotton, full-pressed, until conditions improve.

APPENDIX-5.

Minimum Charge on Treasure and provision for special wooden wagons far hides.

Letter No. T. 97/A/7 dated 23rd December 1930 from the Indian Railway Conference Association to the Chamber.

I am directed to forward, for your information, particulars of subjects which will be discussed at the next meeting of the Commercial Committee, fixed for Monday the 16th February 1931, and am to request that you will favour me with the views of your Chamber on the proposal. I am to say that it will not be possible to place your views before the Commercial Committee unless a reply is received before the 25th January 1931.

Particulars of Subjects to be discussed at the Spring Meeting of the Commercial Committee for Interchange.

Subject:-Amendments of Rules 183 (b) and (c) of Coaching Tariff No. 7. Minimum charge for treasure.

I. The following proposal from the Chief Traffic Manager, G. I. P. Railway, re: amendment of Rule 188 (b) of Coaching Tariff No. 7 will be considered :—

In accordance with rule 188 clause (*b*) page 312 of the General Coaching Tariff No. 7 the minimum weight for charge for treasure is one maund. The Maharashtra Chamber of Commerce has represented that this minimum causes inconvenience to merchants specially small dealers. The Chamber suggests that the minimum weight should be reduced to 10 seers.

2. This rule was introduced 37 years ago, *vide* Resolution No. 34. of proceedings of the Railway Conference, 1893. The reasons why this restriction was imposed are not known but probably it was done to discourage carriage of small consignments of treasure in view of the risks involved.

3. Attention is drawn to rule 183 of the General Coaching Tariff No. 7 under which treasure is allowed free as luggage within free allowance of weight according to the class of ticket held that is, in the case of 3rd class passengers it is already allowed to be carried as luggage up to 25 seers.

4. It is understood that small consignments of treasure weighing less than maund are not frequently booked, such traffic being usually carried in owner's charge. When small consignments of treasure are booked, unaccompanied by the owners, the Railway has to take the full risk for its carriage, and therefore, I cannot recommend that the minimum weight should be reduced to 10 seers as suggested. The risk of loss by theft is greater in the case of small parcels. I therefore think that the minimum weight should be 20 seers and not 10 seers.

5. Attention is also invited to the word "luggage" appearing in the same rule. No minimum charge for luggage is specifically laid down but the same minimum charge for parcels at full parcels rate, *vide* Rule 230 of General Coaching Tariff No. 7 is applied No "Luggage" as shown in the calculated table of charges in rule No. 107, namely, five annas.

6. In these circumstances I propose the following draft resolution for the consideration of the Commercial Committee:-

The Commercial Committee for Interchange recommend that the minimum weight for treasure should be 20 seers, and that clause (B) of Rule 188 of the General Coaching Tariff.

Tariff No. 7 be altered to read as under:—

Present.	*Proposed.*
The minimum charge for consignments of treasure shall be the same as for luggage; the minimum weight for charge for treasure shall be as for one maund; fractions of a maund above one maund being charged as follows:	The minimum charge for consignments of treasure is the same as for luggage, namely five annas, and the minimum weight for charge is 20 seers, fractions of a maund being charged as follows:

Not exceeding 5 srs.	...	as 5 srs.						
Exceeding							Srs.	
„ 5 srs.	but not exceeding.	10 srs	„	10				
„ 10	„	„	„	15	„	„	15	
„ 15	„	„	„	20	„	„	20	
„ 20	„	„	„	25	„	„	25	as at present
„ 25	„	„	„	30	„	„	30	
„ 30	„	„	„	35	„	„	35	
„ 35	„	„	„	40	„	„	40	

II. The following proposal from the Traffic Manager, Burma Railways, re: amendment of Rule 188 (*c*) of Coaching Tariff No. 7, will be considered :—

I beg to point out that under Rule 188 (*c*) page 313 of Coaching Tariff No. 7, the note regarding minimum charge under the Rates for Copper, Bronze and Nickel coins reads :—

"The minimum charge for consignments of 5 maunds and under shall be the same as for luggage, *viz.*, 10 seers etc."

Should this "10 seers" not read "5 seers"? The rates for luggage are quoted under rule 107, page 158 of the same Tariff. I would suggest the note be revised to read as follows :—

The minimum charge shall be the same as for luggage. Consignments over 5 maunds and up to 10 maunds will be charged as for 10 maunds.

2, *Subject:—Provision of special wagon with woeden sides and floors for the transport of hides.*

The following proposal from the Railway Board will be considered :—

I am directed to forward herewith copies of the marginally noted papers on the above subject and to request that with the permission of your President, the matter may be placed before the Indian Railway Conference Association for consideration.

1. **Extract para, 82 of the report of the Hides Cess Enquiry Committee (Volume I.)**

2. **Extract para, 4 of the mamorandum presented by the Southern India Chamber of Commerce, Madras, to Mr. T. G. Russell, Chief Commissioner of Railways and Mr. A. A. L. Parsons, Financial Commissioner of Railways.**

Extract from the report of the Hides Cess Enquiry Committee
(Vol. I.)

Para 82.

* * * * *

It was urged upon us by some that the type and design of the wagons generally available are not suitable for the transport of raw hides and skins. The all-iron wagon undoubtedly leads in some cases to damage of the stock. If it is wetsalted and not dry,

the iron is liable to stain and heat parts of it; such stains are generally irremovable and cause, considerable depreciation. The open wagon leaves the contents at the mercy of the elements, and the heat or moisture, or worse still, a combination of heat and humidity inevitably damage the contents. The ravages of stray dogs, weevils and insects on such stock have also been brought out in the evidence taken by us. A closed wagon if it happens to be leaky is also a cause of loss, as it exposes the stock to the risk of "hair slip" in the parts which get wet or damp. Some witnesses have suggested that the railways should provide special wagons with wooden sides and floors, at least the latter. One of them informed us that one important railway system used to provide such special wagons, but has now discontinued them. Whether in view of the casual character of the trade and the country's need for general service wagons it is possible for the railways to provide special wagons we cannot say. But the matter needs further investigation, especially as we have been told that special wagons used to be provided on one railway.

The Southern India Chamber of Commerce, Madras.

Memorandum to Mr. T. G. Russell, Chief Commissioner of Railways and Mr. A. A. L. Parsons, Financial Commissioner of Railways.

Meeting on 2nd September 1930, at 12 noon.

4. Steel Vs. wooden wagons. It is reported that raw skins and hides coming from Northern India to the tanneries of South India are damaged in transit owing to sweat and rust in steel wagons.

Letter No. dated.....from the Chamber to the General Secretary, Indian Railway Conference Association

With further reference to your letter No. T. 97/A/7 of the 23rd December, my Committee have now gone through the Agenda before the Spring meeting of the Commercial Committee of the Association. With regard to the first item therein, *viz.*, minimum charge for treasure, they are in agreement with the suggestion made by the Chief Traffic Manager, G. I. P. Railway that the minimum weight for charge on Treasure should be 20 srs., as against the present minimum of 1 maund. As regards the other items, on the agenda, they have no comments to make.

APPENDIX 6.

Railway Concession to Students of Technical and Industrial Institutions.

Extract from the Agenda before the October meeting of the Commercial Committee of the Indian Railway Conference Association.

(3) Subject—Rule 104 of Coaching Tariff No. 7—Concessions. (Serial Nos. 9 (c) and 11—Concession to students).

The following proposal from the Chief Transportation Superintendent and Traffic Manager, Madras & Southern Mahratta Railway, regarding concession to students will be considered :—

Students of Training Schools and Colleges are, at present, granted concessions over this Railway under serials 9 (c) & 11 of Circular No. 5 to Coaching Tariff No. 7. The Commercial Committe for Interchange, however, in Min. 414 B (Res. No. 368 (B) of meeting No. 15 have recommended that the concessions should not be allowed to these Institutions, on the ground that it would not bring any additional traffic to Railways.

In view of this, I am of the opinion that the issue of concessions under the same serial to students of Technical, Commercial, Industrial, and Agricultural institutions cannot reasonably be justified. I beg to suggest, therefore, that the persons etc., eligible for concession under serial 9 be suitably altered, so as to make it admissible only to students of arts and science courses in schools & colleges respectively recognised by Government and propose the following amendments in column 2 "Persons etc. eligible" in serial Nos. 9 & 10, pages 10 to 12 of Circular 5 to Coaching Tariff No. 7.

Persons etc. eligible.

No.	*Present.*	*Proposed.*
Serial 9.	Children and students in parties of not less than four (excluding attendants.)	Children and students in parties of not less than four (excluding attendants.)

(a) Children attending primary and secondary schools (teaching up to the primary, middle high school or entrance standards) which are recognised by the Educational department.	(a) Children attending primary and secondary schools (teaching up to the primary, middle, high school or entrance standards) which are recognised by the Educational department.
(b) Students of colleges affiliated to a recognised University.	(b) Students of Arts and Science colleges affiliated to a recognised University.
(c) Students of medical schools, technical, commercial, Industrial and Agricultural institutions under Government or recognised by Government.	(c) Delete.

No.	*Present.*	*Proposed.*
Serial 10.	Private students.	Private students attending University Examinations in Arts and Science.

This restriction will automatically apply to serial No. 11* also.

I shall be obliged if you will please place this matter for consideration before the next meeting of the Commercial Committee for Interchange.

*Concession to children and students referred to in serial No. 9 in parties of not less than fifteen (excluding attendants).

Letter No. 1574 dated 17th August from Chamber to the Secretary of the Railway Conference Association.

With reference to the Agenda for the October meeting of the Commercial Committee for Interchange of the Indian Railway Conference Association sent with your letter of the 13th July 1931, I am directed by my Committee to inform you that they are opposed to the proposal to discontinue the system of concessions to students of Technical, Commercial, Industrial and Agricultural Institutions. The principal reason advanced for such discontinuance is that the concessions would not bring any additional traffic to railway. My Committee venture to suggest that the additional traffic was not the *raison d'etre* for such concessions. The same was particularly intended to facilitate students in their journeys, and was in the nature of an indirect encouragement to education. Such concessions might, incidentally in some cases, have brought additional traffic to railways, but to withdraw the same from certain branches of education, on the ground of absence of additional traffic, would be placing a handicap on technical and industrial students. They, therefore, suggest that the proposal should not be accepted.

With regard to the other items on the Agenda, my Committee have no comments to offer.

APPENDIX 7

Enhancement of Freight on Sugar, Piece Goods and Tobacco.

Letter dated 16th September from the Indian Railway Conference Association to Chamber.

I forward herewith for your information copy of Railway Board's letter No. 3675-T, dated 15th September 1931, suggesting that the classification of sugar, tobacco and piece-goods should be raised. The question will be discussed at the next meeting of the Commercial Committee and I shall be glad to have your views on the proposals by the *3rd October 1931*, at latest. Please address

your reply to the General Secretary, Indian Railway Conference Association, Cecil Hotel, Simla, if it cannot reach Delhi before the 28th instant.

Copy of letter No. 3675-T, dated 15th September 1931, from the Director, Railway Board, Simla, to the General Secretary, Indian Railway Conference Association, Delhi.

Enhancement of the Classification for Certain Commodities.

I am directed to state that the Railway Board view with considerable concern the continued drop in the gross earnings of Railways, and while they realise that Railway Administrations are making every effort to reduce expenditure in all possible directions, the necessity for endeavouring to bridge the gap between receipts and expenditure calls for special action being taken to enhance rates where this can be done without restricting the free movement of traffic.

2. The Railway Board discussed with Agents of the principal railways a few months ago various measures that it was then considered could suitably be taken by minor adjustment in rates to obtain increased revenue, and certain steps have already been taken in this direction. The position, however, in the Board's opinion, calls for something more to be done, and after the fullest consideration the Board have felt that an enhancement in the classification for sugar, piece-goods and tobacco could perhaps be now made without affecting traffic in these commodities to any appreciable extent. I am accordingly to suggest that the Commercial Committee for Interchange may be asked to consider at their next meeting the question of enhancing the classification for these commodities as follows :—

(1) Sugar,	from 2 R. R. to 4 R. R.
(2) Piece-goods, cotton, woollen or artificial silk, in bales, press packed and bound with iron bands or packed in boxes or cases from	6 R.R. 4 0.R. to 8 R.R. 6 O.R.

The desirability of a consequential alteration in the classification for the following might also be considered :—

(i) Piece-goods, cotton, woollen or artificial silk, not press-packed or not packed in boxes or cases, at present 8 R.R. 6 O. R.

(ii) Piece-goods, cotton, woollen or artificial silk, mixed with or without common metal, brass or tinsel thread edging or with false or imitation lace, at present 9 R.R.

(iii) Piece-goods, cotton, woollen or artificial silk, worked with gold or silver lace, at present, 9 R.R.

(iv) Piece-goods, silk, at present, 9 R.R.

(3) Tobacco, country manufactured, from 9 R.R. 4 O.R. to 8 R.R. 6 O.R.

(4) Tobacco, country unmanufactured, from 4 R.R. to 6 R.R.

I am to request that the Railway Board may be advised in due course of the recommendations of the Commercial Committee and of the view taken by Railways on these recommendations after they have been circulated. Meantime, a copy of this letter is being forwarded for information to Agents, Class I Railways.

Letter No. 1933 dated 26th September from the Chamber to the Railway Conference Association.

Your letter No. G. C. 662/1 of the 16th instant, inviting the views of my Committee on the proposal of the Railway Board to enhance the classification of Sugar, Piecegoods and Tobacco, was considered by them at their last meeting.

My Committee recognise that the earnings of the Railways have considerably suffered, and that ways and means will have to be divided to make up the deficits. At the same time, the Railway Board and all the Railway Administrations could not be unaware of the intensity of the depression through which the country is passing. Commodity prices have fallen considerably, and there has been an insistent demand for a general reduction of railway freight, particularly in certain commodities in relation to the reduced prices. My Committee are opposed to the proposed increase in freight rates.

As regards the necessity for Railways to bridge the gap between the receipts and expenditure, my Committee are of opinion that the time has come when Railways should reduce their expenditure commensurate with their reduced earning. Drastic retrenchment in the expenses of railways is immediately required, and it is useless to expect to make up defictis by imposing additional burdens on the public.

APPENDIX 8.

BAZAR PACKED PIECEGOODS.

Extract from the Agenda before the February (1932) meeting of the Indian Railway Conference Association.

Particulars of subjects to be discussed at the February Meeting of the Commercial Committee for Interchange.

Subject:—*Bazar packed piecegoods: packing conditions for.*

The following proposal from the Chief Commercial Manager, North Western Railway regarding packing conditions for Bazar packed piece-goods will be considered:—

Within recent years traffic in bazar packed piece-goods from the principal distributing centres on this Railway has been subjected to severe competition from motor lorries and a considerable amount of such traffic, which used previously to be booked by railway, is now moving by road. Enquiries made show that this is, in a large measure, due to the stringent packing condition of securing the bales tightly with iron bands laid down for bazar packed piece-goods, *vide* item (*i*) of the special packing condition "P/19" appearing on page 724 of the General Classification of Goods (No. 16). The cost of providing iron bands amount to 0-6-0 per maund which adds considerably to the cost of booking piece-goods by rail. To

enable the railway to compete successfully with the road for this traffic it is imperative that this condition be relaxed.

2. It is considered that it would be sufficient safeguard for the Railway, if bales of bazar packed piece-goods are covered with double gunny, the outer covering being securely stitched and the bales tightly bound with ropes. I have accordingly asked the Secretary, Railway Board, to obtain and communicate the Board's sanction to this being done in local booking, but as similar competition exists over other Railways also I suggest that the packing conditions be revised accordingly and propose that the following draft resolution be put up to the Commercial Committee for Interchange for consideration at their next meeting :—

The Commercial Committee for Interchange recommend that the packing conditions for bazar packed bales, piece-goods cotton woollen, silk or artificial silk, as per items (1) and (2) on page 724 of the General Classification of Goods (No. 16 be deleted and the following inserted instead:—

"Bazar packed bales of piece-goods may be covered with double gunny, the outer covering being securely stitched and the bales tightly bound with ropes."

Letter No. 2636 dated 23rd December from Chamber to the Railway Conference Association.

I am directed to acknowledge the receipt of your letter No. T. 97/IV/1 of the 5th instant, and to say in reply that my Committee have no objection to the proposed change regarding packing condition for Bazar packed piece-goods.

APPENDIX 9

Classification of groundnuts for freight purposes.

Letter No. 220 dated 7th November from Chamber to Railway Board.

I am directed by my Committee to address you in connection with the classification of groundnut seeds for purposes of railway

freight. Under the general classification of goods, groundnut is classified 4 (R.R) and groundnut; W/300-B.G., W/160-M.G. etc., 3 (R.R) and 2 (O.R). All other oil seeds are classified under the heading "Seeds common" as 1 (R.R). Groundnut seed is an oil-seed, and there is no reason why it should be treated differently from the other oilseeds. My Committee, therefore, suggest that groundnut seeds should be included in the classification "Seeds common", and treated accordingly for freight proposes.

Again, my Committe understand that for groundnuts, a charge on account of loading and unloading, unlike other grain or oilseeds, is made. They see no reason why this extra burden is imposed on the groundnut traffic, They feel that in this respect also groundnuts should be treated in common with the other seeds.

Letter No. 4066-T dated 19th March 1932 from Railway Board to Chamber.

In continuation of the Railway Board's letter No. 4066-T., dated 28th November 1932, I am directed to state that the Commercial Committee for Interchange of the Indian Railway Conference Association consider, from such information as they have in regard to the development in the producton of groundnuts and their free movement both for export and internal consumption, that the traffic can well bear the rates now charged by Railway and the Committee are unable, therefore, to recommend any alteration in the present classification. I am to say that the Railway Board concur in the views of the Commercial Committee.

2. In regard to the question of charges for loading and unloading, I am to say that the lower classification for groundnuts in wagon loads is subject to the condition that loading and unloading should be done by owners, as in the case of most other commodities for which lower rates are chargeable when traffic is despatched in wagon loads; the Railway Board see no reason to justify the withdrawal of this condition.

APPENDIX 10

Proposal of the G. I. P. & B. B. & C. I. Railways to increase fares.

Letter No. 512 dated 6th March 1931 from Chamber to the B. B. & C. I. Railway.

The attention of my Committee has been drawn to the Note in the Proceedings of the Local Advisory of your Railway for the month of January 1931 with regard to the proposal to enhance the season ticket fares for the suburban traffic and increases in III class fares for long distance traffic and also increase in terminal charges.

My Committee realise that the B. B. & C. I. Railway, in common with other railways in the country, is faced with a big deficit. They fear that the proposed increase might, in view of the general trade depression, have the reverse of what is expected. My Committee would urge retrenchment of all unnecessary expenditure as soon as possible, They are sure, as the Hon'ble Member for Commerce in introducing the Railway Budget remarked, that all the Railways must be following same programme of retrenchment, What my Committee would suggest is that instead of laying down the lines of possible retrenchment departmentally, it might be helpful if the Advisory Committee were consulted with regard to possible retrenchment. It would bring upon the question a fair and impartial opinion and specially, what is most necessary, the opinion of businessmen who can be expected to deal with the present critical situation from the business point of view.

My Committee regret to find that the main increase is proposed to be effected in the suburban fares. It is not now realised perhaps that the suburbs have proved to be the healthiest lungs of Bombay and have served to free Bombay from the scourge of epidemic which ravages it in the past. They have also proved one of the best sources for accomodating the surplus population of the City and have given the much-needed fresh air and—atmosphere to

those sections of the public who liked to free themselves from the dust and smoke-ridden atmosphere of the City at least for a part of the day. In fact, Government have always made it clear in their successive schemes of the development of Bombay City that suburbs are a necessary factor in any such scheme and that efforts must be made to help in their development. During recent times the suburbs have got good roads, good lighting and a good train service, and all these factors have attracted a large section of the population to stay in the suburbs. This will be seen when the correct figures of the census will be published. My Committee do not as yet know what percentage of increase is going to be with regard to the ordinary tickets, Any increase, however, will be a great hardship to the suburban population in these days of depression and unemployment and will be a great impediment in the way of the suburban development. It may even mean, my Committee fear, that a section of the suburban population may prefer to come back to the City rather then pay the added charges for their season tickets. When people move to the suburbs they always calculate on the rent and season ticket fares being less than the rent they pay in Bombay. It is now admitted that there has been a drop in the rents in the City and so if there is an increase in the season ticket fares it will act as a great inducement to the suburban people to flock to the City, and lead to the danger of overcrowding. It is stated in the Note that there has been a loss on the working of the suburban section. My Committe will be obliged if you will kindly enlighten them as to the exact details of the loss and particularly regarding the working of the newly introduced electrification seheme which was expected to show favourable financial resuls. My Committee beg to urge strongly that you will kindly take into consideration all these circumstances and abandon the idea of effecting any increase in the season ticket fares for the suburbs.

It is also proposed. my Committee understand, to effect an increase in the terminal charges and to withdraw the concessions given to III Class passengers for long distance traffic for a reduction in rates over longer distances than 150 miles. If the Railway has

not got any appreciable advantage through these concessions, it may be because of the recent depression, and my Committee feel sure that if the experiment is tried for a longer time it may yield desirable results. The withdrawal of the concession may mean further restriction of the traffic.

With regard to the terminal charges, my Committee agree with Mr. Neilson, who observed that:—

> "The terminal charge made by the Port Trust Railway was 6 pies per maund and yet they were able to make it a paying proposition, although the services rendered included a certain amount of haulage. He added that he thought under the circumstances that it should be possible for a "much bigger railway like the B. B. & C. I. to work on the same basis with at least equally good resuls. He mentioned that as a matter of fact the Port Trust had been able to make a profit last year."

Letter No. T. 12 C. 59 dated 17th March 1931 from the Agent, B. B. & C. I. Railway to the Chamber

I beg to acknowledge receipt of your letter No. 512 dated 6th March 1931.

It may interest your Committee to know that we have for some time been taking steps to retrench all unnecessary expenditure. We are, as you suggest, following a definite programme of retrenchment. Many of the subjects dealt with by the Railway Administration are purely technical and it is very doubtful if the Advisory Committee would be able to assist to any considerable extent as they would not be familiar with the majority of the matters dealt with.

The question of increasing the season ticket fares--Bombay Local and Suburban Section--is not a new one, but is one of long standing. When it was decided to electrify the suburban section, the question of enhanciug the season ticket fares then arose and the fares would have been increased at that time, but we were anxious to make a close examination and have spent a considerable

amount of time and labour, working out the actual cost of running of this section before taking any action. As a result of this examination, we find that based on the receipts of Rs. 85,16,000 for the year 1927-28 there has been a loss of more than Rs. 44½ lakhs. I have pleasure in enclosing a statement showing the cost of a monthly season ticket to a 1st, 2nd and 3rd class passenger, as compared with the cost to him if single journey tickets were purchased (taking 26 journeys per month each way).

You will see how ridiculously low the present charge is and even with the additions which we propose to make of 10, 20 and 30 per cent as the case may be, they still cannot be regarded by any means as high and will not have the effect of making up the loss referred to above.

As regards the increase in long distance third class ordinary passenger fares, the proposal is to revert to the rates that were in force before the 1st of August 1928. The present and proposed rates compare as follows :—

From 1st August 1928.		Prior to 1st August 1928.	
Rate per mile.		Rate per mile.	
Miles.	pies.	Miles	pies.
1-150	3¾	1-300	3¼
Plus 151-300	3	... ...	...
Plus 301 & over	2½	plus beyond	2¾

The reduction on distances of 150 miles and over from 1-8-1928 had not resulted in any additional traffic. On the contrary, comparing the first six months of 1930-31 with the corresponding period of the preceding year, it was found that there had been a decrease of over a million third class passengers.

In regard to the question of Terminal Charges, this Railway went to considerable trouble preparing a statement of the cost of terminal facilities provided at different stations and we have found that the Terminal charges made at present have not been sufficient to give a reasonable return on the Capital outlay involved. The present rates charged for Terminal charges fall short of the sum

required to give a return on the Capital outlay and working charges by a sum of Rs. 5.96 lakhs a year on 22 representative stations, so that the loss, if all stations are taken into account would be very much greater. Even the proposed increase in the Terminal, it is estimated, will not yield sufficient increased revenue to cover the loss entailed.

Statement showing the rates for season tickets monthly as compared with Cost of journeys if single journey tickets are taken to and from Churchgate taking 26 journeys per month each way.

	Season ticket fares.			52 single journey fares.		
	1st Class.	2nd Class.	3rd Class.	1st Class.	2nd Class.	3rd Class.
	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.	Rs. as.
Marine Lines	3 4	1 10	1 4	6 8	3 4	1 10
Charni Road	4 12	2 6	1 4	14 0	6 8	2 7
Grant Road	6 4	3 2	1 10	19 8	9 12	3 4
Mahalakshmi	10 0	5 0	2 4	19 8	9 12	4 1
Lower Parel	12 8	6 4	2 12	19 8	9 12	4 14
Elphinstone Road	13 8	6 12	2 14	26 0	12 3	5 11
Dadar	15 0	7 8	3 6	29 4	16 4	6 8
Matunga Rd.	16 4	8 2	3 8	35 12	16 4	8 2
Mahim	16 4	8 2	3 12	39 0	19 8	8 15
Bandra	17 8	8 12	4 2	45 8	22 12	9 12
Khar	20 0	10 0	4 4	52 0	26 0	9 12
Santa Cruz	20 0	10 0	4 6	58 8	29 4	10 9
Vile Parle	20 0	10 0	4 12	65 0	32 8	12 3
Andheri	20 0	10 0	5 0	78 0	39 0	13 0
Jogeshwari	24 4	12 2	5 4	84 8	42 4	13 0
Goregaon	25 12	12 14	5 8	97 8	48 12	16 4
Malad	26 4	13 2	5 8	104 0	52 0	17 14
Kandivlee	27 0	13 8	5 10	110 8	55 4	19 8
Borivli	28 0	14 0	6 0	123 8	61 12	19 8
Mount Poisar	28 4	14 2	6 0	133 4	68 4	21 15
Mira Rd.	28 12	14 6	6 2	149 8	74 12	22 12
Bhayndar	29 8	14 12	6 4	162 8	81 4	26 0
Bassein Rd.	30 0	15 0	6 8	195 0	97 8	31 11
Nalla Sopara	30 8	15 4	6 8	214 8	107 4	32 8
Virar	30 12	15 6	6 8	227 8	113 12	34 15

Letter No. Con. 229-68 dated 20th March from the G. I. P. Railway—to whom a copy of the letter to B. B. and C. I. Railway was sent—to Chamber.

I am directed to state that the question of increasing suburban season ticket fares has been considered on many occasions in the last few years. During the past year the earnings of the G. I. P. Railway have fallen to such a serious extent that it is imperative to take urgent measures to improve the financial position of the Railway. A vigorous economy campaign has been instituted which will result in a substantial reduction in expenditure, but, in addition, it is also necessary to take steps to increase revenue. One of the means decided upon is an increase in season ticket fares which are at present exceptionally low : a third-class fare at season ticket rates for a single journey from Bombay to Byculla is 8 pies, and from Bombay to Dadar, a distance of 6 miles, 1 anna 2 pies as compared with ordinary third-class single journey fares of 1 anna and 2 annas respectively. The charge for longer distances is much lower still ; for instance, from Bombay to Kalyan, a distance of 34 miles, the third-class fare for a single journey at the season ticket rates amounts to only 2½ annas, as compared with the ordinary single journey fare of 11 annas.

2. The suburban season ticket fares are accordingly being increased from 1st April 1931, by amounts which are considered in all the circumstances to be very reasonable, and I am to regret it is not possible to reconsider the decision which has been reached.

Letter No. 525 dated 9th March from Chamber to Railway Board

The attention of my Committee has been drawn to the proposals of the G. I. P., and B. B. & C. I., Railways to increase their revenue by enhancing the rates on Suburban fares, third class long distance fares, etc. They are aware that these railways, in common with the other railways in the country, are faced with deficits, and they recognise that steps will have to be devised to cover the same. They would, however, have expected, in these times of acute trade

depression, the Railway Administrations to find other sources of meeting their deficit, *viz.*, by effecting retrenchment in their expenses than by imposing additional burdens on the travelling public.

My Committee fear that the proposed increases might, in view of the general trade depression, have the reverse effect of what is expected. They would, therefore, urge retrenchment of all unnecessary expenditure as soon as possible as a better remedy for covering such deficits. They are sure, as the Hon'ble Member for Commerce remarked, in introducing the railway budget, that all the railways must be following some programme of retrenchment. But what my Committee would suggest is that, instead of laying down the lines of possible retrenchment departmentally only, it might be helpful if the Advisory Committees of the respective railways were consulted in this connection. Such consultation would bring upon the question a fair and impartial opinion, especially, what is most necessary, the opinion of businessmen who could be expected to deal with a critical situation from a business point of view.

Coming to the merits of the proposals, they have fundamental objections to the first among these, *viz.*, the increase of Suburban fares. It is a well recognised fact that the suburbs are the healthiest lungs of the city, and have contributed very much to free the city from the scourge of epidemics which were a regular feature of the health of the city prior to the development of the suburbs. My Committee need not at this stage attempt to emphasise the danger that would accompany any attempt at discouraging the development and the expansion of the suburbs. They are afraid that the proposal, in addition to being an impediment in the way of suburban development, may even to a certain extent tend to divert a section of the population, who have migrated to the suburbs, back to the city.

My Committee understand that one of the proposals of the B. B. & C. I. Railway in this connection is to increase the terminal charges. In this matter, my Committee agree with Mr. W.H. Neilson, Chairman of the Bombay Port Trust, who observed at a meeting of the Advisory Committee of the B. B. & C. I. Railway that :—

"The terminal charge made by the Port Trust Railway was 6 pies per maund and yet they were able to make it a paying proposition, although the services rendered included a certain amount of haulage. He added that he thought under the circumstances that it should be possible for a much bigger railway like the B. B. & C. I. Railway to work on the same basis with at least equally good results. He mentioned that as a matter of fact the Port Trust had been able to make a profit last year."

In conclusion, my Committee would sound a note of warning that the Railway Administrations would be ill advised in imposing such additional burdens on the travelling public, as they might not get in the additional revenue. They would, therefore, urge that Government be pleased to intercede in the matter with a view to the Railway Authorities abandoning the proposals referred to.

Letter No. 3675 T. dated 27th March from Railway Board to Chamber

With reference to your letter No. 525 dated the 9th March 1931, I am directed to state that, so far as the proposals of the Great Indian Peninsula and Bombay Baroda and Central India Railways to obtain additional revenue are concerned, the Railway Board understand that these Administrations discussed the matter with their respective Local Advisory Committees before a decision was finally arrived at, and the Board do not consider that there is any reason to justify their intervention in the particular measures referred to, which the Railway Administrations considered it desirable to take on financial grounds.

2. I am to add that the Board understand that the Great Indian Peninsula and Bombay Baroda and Central Indian Railways Administrations have been, and still are, investigating every means for effecting retrenchment in their expenditure.

APPENDIX 11.

Railway Freight on Jari.

No. 2582 dated 18th December from Chamber to the Agent, B. B. and C. I. Railway.

The Surat Samast Jari Mahajan have forwarded to my Commitee a copy of their letter to you in connection with the increase in freight rate on jari from the 1st November 1931. My Committee have not got the full details of the increase, but they understand that jari, which is ordinary silver and gold thread, is now classed as treasure and charged accordingly, and that the minimum weight allowed is one maund. This is, in the opinion of my Committee, unfair and will harm the Jari trade and industry to no small extent. Jari goods, having regard to their delicate nature, are always sent in small parcels, and fixing a minimum weight of one maund for such parcels will impose an unnecessary burden on the trade. Nor can my Committee understand how Jari can be classified as treasure. The Mahajan have sent to you figures regarding the incidence of the freight; and my Committee feel that the effect will be disastrous.

You cannot be unaware that till recently the Jari industry was suffering from the effects of foreign competition and that only the protection given to it consequent upon the investigations of the Tariff Board had given some hope of revival to the industry. At such a time, my Committee fear the action of your Railway in increasing the freight rate disproportionately will again affect the progress of the industry.

My Committee will be glad to have the exact details of the increase in freight. They request that the Railway Company will kindly reconsider their decision, and restore the former rates of freight.

Letter No. 207-31-2 dated 15th February 1932 from the B. B. and C. I. Railway.

With reference to the letter of the Surat Samasta Jari Merchants Association complaining against the freight rates on jari goods by passenger train, I beg to state that according to Rule

192 of Coaching Tariff Part I, No. 10. Treasure includes Government stamps, specie, Bullion, Gold and Silver coin Jewellery, trinkets, plate, gold and silver thread or lace, currency notes signed or unsigned, and defaced currency notes, etc., and therefore gold and silver thread or lace is correctly chargeable at the rates applicable to treasure. The fact that full parcels rates were applied to this traffic booked from Surat was purely a mistake which was rectified no sooner it was discovered.

It is regretted that gold or silver thread or lace cannot be carried at full parcels rates. Imitation jari, in the manufacture of which gold or silver is not used, will however continue to be charged at full parcels rates and the members of your Association may be advised that when tendering parcels they should give the correct description of their goods *i. e.* whether parcels contain real or imitation jari.

APPENDIX 12.

Railway freight on Coal.

Letter No. 2537 dated 10th December 1931 from Chamber to Railway Bord.

My Committee are given to understand that the Railway Board are at present contemplating the imposition of a 15 per cent surcharge on the present coal freight rates. If so, I am directed to convey to you that they are strongly opposed to the proposal.

Trade and industries are in a very depressed state, and my Commitee are surprised that at such a time Government instead of taking steps to help them are thinking of saddling them with further burdens. The proposal of Government will affect very adversely, in addition to the consumers of coal, including industries, the colliery owners, and my Committee are even afraid that the railways may not be able to get any substantial increase in revenues from this direction, as the step might tend to restrict the consumption and movement by rail of coal. My Committee, therefore, urge that the Railway Board will be pleased to give the matter due consideration before coming to a decision.

In this connection, my Committee are informed that transport of coal from the collieries to Calcutta is exempted from this surcharge. They would like to know if their information is correct. They would also like to be informed in what other cases the surcharge is exempted.

My Committee are not aware whether the Railway Board are contemplating side by side any increase of freight rate on crude oil. The Railway Board cannot be unaware that crude oil competes heavily with coal, and any attempt to increase the transport charges of the latter without a corresponding increase on the former will tend to a direct handicap on the coal trade. My Committee would, therefore, like the Railway Board to consider this aspect of the matter, if the same had not been considered.

No. 1062 T. Dated 19th December 1931 from Railway Board to Chamber.

With reference to your letter No. 2537, dated the 10th December 1931, I am directed to forward herewith a copy of the communique dated 14th December 1931, and to state that the point raised in the last paragraph of your letter, which has reference to the possibility of crude oil displacing coal, presumably in Bombay, had also been taken up by the Indian Mining Federation who were advised that the matter was one which should be referred direct to the Railway Administrations concerned for consideration.

COMMUNIQUE

New Delhi, dated 14th December 1931

In view of the existing financial circumstances of the Indian Railways, the Railway Board have found it necessary to explore all avenues whether for reducing expenditure or increasing revenue. The possibilities in the latter direction are somewhat limited at a time when the purchasing power of all classes is severely restricted, but there are a few commodities which might possibly stand a higher rate, and one of these is coal. The existing freights on coal were reduced both in 1929 and are now very low when compared with those applicable to any other commodities.

2. Before coming to a decision on the question of enhancing freight rates on coal, the Railway Board advised the Indian Mining

Federation and the Indian Mining Association that they had under consideration a proposal to impose a surcharge of 15 per cent on the present freight charges and invited them to discuss this proposal with the Board. This discussion was held on the 23rd November 1931. The Railway Board have received from various Chambers of Commerce and other Commercial organisations representations bearing on the adverse effect which enhanced freight rates on coal would have on various interests. The representations, as also the views advanced by the Indian Mining Association and the Indian Mining Federation at the discussion which the Railway Board had with them, have been given the fullest consideration. While the Board are unable to modify their view that, under present conditions, the 15 per cent. surcharge should be imposed, they are issuing instructions that this surcharge which will be imposed from the 15th January 1932, on all coal, coke and patent fuel, (both for the public and foreign Railways) booked from stations on the East Indian and Bengal Nagpur Railways and from the Pench Valley Collieries on the Great Indian Peninsula Railway, should not apply in the case of :—

(i) Soft coke;

(ii) Coal and coke consigned to Howrah or Calcutta, and :—

(*a*) Exported thence by sea to any port, foreign or Indian;

(*b*) Loaded for bunkering in sea-going vessels:—

within the limits of the port of Calcutta. In the case of (ii) above, the surcharge will be collected in the first instance, and a refund subsequently arranged under conditions which will be notified in due course by the East Indian and Bengal Nagpur Railway Administrations.

Appendix 13.

Enhancement of freight for matches over the B. B. & C. I. Rly.

Letter No. 1744 dated 2nd September 1931 from Chamber to the B. B. & C. I. Rly.

The attention of the Committee of this Chamber has been drawn by some match factories which are members of this Chamber to the

increase in freight which is proposed to be effected from the 1st instant both with regard to matches non-safety and matches-safety. The condition of the match industry at present cannot be considered to be good and any such increase in the freight will affect the industry adversely. Under the circumstances, I am directed by my Committee to request you to be pleased not to have any increases in freight on the match industry.

No. T. 12 31 C. 20 dated 21st September from the B. B. & C. I. Rly., to Chamber.

In reply to your letter No. 1744 dated 2nd September 1931, I beg to state that matches, safety and non-safety, are classified 8th class (1.04 pie per maund per mile). at owner's risk, in the General Classification of Goods, but with a view to encourage the indigenous industry the following lower exceptional class rates were introduced over this railway many years ago for country matches manufactured in the Match factories at Andheri, Ahmedabad, Ambernath, Borivli Cambay, Curla, Petlad, Surat and Umreth.

In wagon loads.			In small lots.		
Class.	Pie per md. per mile	Reduction over classified rate %.	Class.	Pie per Md. per mile	Reduction over classified rate %.
4.	0. 62.	40	5	0. 77	26

2. The continued drop in the earnings of this Railway, however, made it necessary to seek avenues for obtaining more revenue by increasing rates and fares, wherever possible, and in view of the fact that the indigenous match factories have made rapid progress and have almost ousted imported matches it was considered country matches could well bear an increase in rates. Accordingly, the existing reduced rates were enhanced as follows with effect from 1st September 1931.

In wagon load.			In small lots.		
Class.	Pies per md. per mile.	Reduction over classified rate %.	Class.	Pies per md. per mile.	Reduction over classified rate %.
5	0.77	26	6	0.83	20

3. From the above it will be observed that the revised rate are still substantially lower than the classified rate and I am not prepared to revert to the rates in force prior to 1st September 1931.

4. The following are the figures of foreign matches imported into Bombay during the past five years. They indicate that the indigenous match industry has supplanted foreign matches to a very large extent and it is therefore not unreasonable that the Railway Company should now slightly increase its rates to obtain more revenue from this commodity.

Imports of Foreign Matches into Bombay.

	Quantities.	Value.
	Gross of boxes.	Rs.
1926-27	14,31,728	14,35,319
1927-28	7,45,148	7,83,782
1928-29	2,69,625	2,74,424
1929-30	2,49,249	2,38,234
1930-31	1,83,023	1,49,485

APPENDIX 14

Railway Risk Notes—Responsibility of Railways.

Letter No. 1902 dated 23rd September 1931 from Chamber to the Railway Board

I am directed by the Committee of this Chamber to support the representation addressed to the Government of India by the

Indian Chamber of Commerce, Calcutta, dated the 7th August 1931, No. R. 34-31. This question of the Risk Notes is a very old one and has always engaged the attention of the commercial community. It was as a result of the persistent agitation by the business people that a Committee was appointed by the Government of India to consider the revision of Railway Risk Notes in 1922. The suggestions made by that Committee were much in advance of the practice and procedure in vogue upto that time Even the amended forms of Risk Notes, however, did not prove satisfactory in practice inasmuch as the merchant is required to bear the onus of proving misconduct or circumstances as may lead to the acceptance of the liability by the Railway. It is very difficult for the consignee to prove that the loss of any particular portion of the consignment was due to the negligence or misconduct of the Railway servants. A Railway Company may, at the most, show how the goods were packed or how the doors were locked, etc., but as thefts are committed notwithstanding all this and there has been pilferage the onus placed upon the consignee is perhaps unfavourable and unjust to him. My Committee have to point out to the Judgment of Justice Dwarkanath Mitter, to which a reference was made in the representation of the Indian Chamber of Commerce, Calcutta, (Civil Rule No. 710 of 1928, decided on 14th August 1928, B. N. Railway *vs.* Moolji Sicka and Co., as reported in *All India Reporter*, 1929, pp. 655-56), wherein he held with reference to section 72 of the Railways Act. IX of 1890, "negligence may be good evidence for misconduct or mismanagement". This judgment however, it must be admitted, was not followed up by other Judges and there has been a sort of a legal tussle going on regarding the exact interpretation to be placed upon the wording of the clause as it stands, in the Risk Note "B". What is now therefore required is executive action to set all doubts at rest, and my Committee beg, therefore, to suggest that official interpretation should be given of the clause in the Risk Note by which it may be held that damage is presumptive evidence of negligence, negligence is good evidence of misconduct and therefore in the case of damage the onus of proof of absence of misconduct must lie on the Railway administration.

If this is not found possible, the Risk Notes may be again revised so as to afford proper protection to the merchants.

My Committee are of opinion that the present disparity in rates between Owners' risk and Railway risk is so great as to induce merchants to prefer the Owners' risk, even though there may be risks attached to it. If the Railway risk rates are reduced businessmen will be induced to consign their articles at Railway risk.

No. 488-T dated 11th January from Railway Board to Chamber

With further reference to your letter No. 1902 of 1931 dated 23rd September 1931 I am directed to State that as the points in regard to risk note forms raised in your letter are similar to those represented by the Indian Chamber of Commerce, Calcutta, in their letter to the Railway Board, dated 10th August 1931, a copy of the Railway Board's reply, No. 488-T dated 11th January 1932, is forwarded herewith for your information.

Copy of a letter No. 488-T dated 11th January from the Railway Board to the Indian Chamber of Commerce, Calcutta

With further reference to your letter No. R. 34 31 dated 10th August 1931, I am directed to state that the subject matter of your letter has received the careful consideration of the Government of India, and to inform you that Risk Note Form B at present in use was approved by the Governor General in Council under section 72 of the Indian Railways Act, 1890, and that the interpretation of its terms is a matter for the decision of courts of law.

I am also to state that the Railway Board do not consider that the cases cited by the Chamber afford sufficient justification for a revision of the form. The existing form accords with the recommendations of a committee that was specially constituted to deal with the revision of risk note forms, from whose report it is

clear that the fullest consideration was given to the question of the extent to which the onus of proving misconduct should be imposed on each party.

APPENDIX 15

Mileage Coupon Books for Mercantile firms

Letter dated 7th May 1931 from the B. B. & C. I. Rly. to Chamber.

I am directed by the Agent of this Railway to address you on the subject of the reintroduction of Mercantile Mileage Coupons tickets on this Railway. At a meeting of the Local Advisory Committee of this Railway, which was attended by gentlemen representing trade interests, the necessity for additional safe-guards to prevent misuse of these Coupons appeared to receive general recognition. It was suggested by Sir Purshotamdas Thakordas that applications from Commercial Bodies for this concession should be forwarded through their respective Chamber or Association and that the Chamber or Association would in turn endeavour to verify the bona-fides of the applications and the names of the Firms' Representatives in whose favour the concession was sought.

I should be very much obliged, therefore, if you would be so good as to inform me whether your Chamber is prepared to undertake this work and I need hardly add that your co-operation in this matter would be very much appreciated by this Railway.

It is our intention, subject to such arrangement being made to resume the issue of such concessions over this Railway as on trial for a further period of one year. It will not, however, be possible for obvious reasons to accept concessions issued by other Railways over this line until similar precautions are adopted by the Issuing Railway.

Letter No. 1160 dated 18th June 1931 from Chamber to B. B. & C. I. Railway.

With reference to your letter of the 7th May, 1931, No. R. 238/22/157, I am directed by the Committee of this Chamber to send their views hereby.

My Committee will have no objection to co-operating with you with regard to the working of the mileage coupon books system for mercantile firms, provided that restrictions suggested, *viz.*, that every mercantile firm applying for the mileage coupon books shall have to apply through a Chamber or a Millowners' Association, apply to all business firms alike.

APPENDIX 16

Grievances of Merchants at Wadi Bunder (G. I. P. Railway)

Letter No. 1746 dated 2nd September from Chamber to the G. I. P. Railway

The attention of the Committee of this Chamber has been drawn to some grievances of our merchants regarding the loading and unloading of goods at the G. I. P. stations in Bombay. I am directed to detail them in this letter with a request that you will be kind enough to enquire into them and get them remedied.

1. *Slack bags*:—There are slack bags generally in consignments and my Committee suggest that the consignee should, while taking delivery, be allowed to make an endorsement on the receipt that so many bags were found slack. These bags should also be re-weighed if the consignee asks for such re-weighment.

2. *Information re: unloading of goods*:—After the goods are unloaded memos of unclaimed goods should be put up on a Notice board if there are not more than a dozen such unclaimed consignments a day. With regard to this the Committee beg also to suggest that the railway authorities should give information to the consignees regarding those consignments which are unloaded before 3-0 p. m. The present practice of giving information regarding consignments which are unloaded upto 5-0 p. m. precludes the consignees from taking delivery of the goods on that day and leaves him barely 8 hours on the next day to clear his goods. The suggestion made by my Committee will, however, give him 2 or 3 hours on the first day and thus facilitate his clearing of the goods.

3. *Wharfage charge.*—My Committee beg to suggest that wharfage charge should be reduced from the present rate of one anna per maund per day.

Letter No. 15/I4 dated 4th November 1931 from G. I. P. Railway to Chamber.

With reference to your letter No. 1746 of 2/9/31 addressed to the Agent of this railway I beg to reply to the points in seriatim as follows :—

1. In case the consignments are booked at Railway Risk reweighments are granted at the consignee's request and they are allowed to pass the necessary remarks on the delivery sheet. Unfortunately certain merchants and carting agents are continually in the habit of demanding weighment of a portion of a large consignment or consignments booked under risk notes form "A" which is held for "bagging old and torn contents dropping &c. &c." Although aware of the booking conditions they make repeated requests to effect delivery on actual weight; naturally when such requests are not in conformity to the booking conditions, their demands are not complied with.

2. With regard to the preceding portion I regret it would not be possible to comply with your request under the existing rules. Information regarding arrival of the goods is given to the public as well as to the carting agents *when asked for.* Wadi Bunder Goods depot is open from 7/30 to 18/ hrs *i. e.,* 10½ hrs and not for only 8 hours as alleged. As regards the request for Advisory notes being issued and sent to each and every merchant I would remark that neither it is practicable to do so nor do the rules in force (Vide para 29 page 16 of our Goods Tariff Part I-A) provide for this being done.

3. This is strictly in accordance with the rules laid down in Goods Tariff part I-A subsidiary rule 80 AA, at page 56. At a huge depot like Wadi Bunder if any concession is allowed as requested it will result in congestion.

APPENDIX 17.

Suez Canal Dues.

Letter dated 23rd April from the Bombay Chamber of Commerce to Chamber.

I am desired to forward herewith a copy of a letter which my Committee have this day addressed to the Associated Chamber of Commerce and to suggest that this is a matter in which your Chamber might like to co-operate.

Copy of a letter dated 23rd April 1931 from the Bombay Chamber of Commerce to the Associated Chamber of Commerce of India and Ceylon.

The Committee of this Chamber have recently had under consideration the question of the dues levid on shipping passing through the Suez Canal. It has been suggested to the Committee that in view of the large profits which are being made by the Suez Canal Company some reduction in the dues is called for, particulary as it is alleged that the existing high level of charges is handicapping trade.

In this connection I am to draw your attention to the Annual Report of the Liverpool Steam Ship Owners' Association for the year ending 31st December 1930 from which the following table has been extracted showing the financial results of the Suez Canal Company during the year 1925 to 1929, a period "during which British Trade and Shipping were passing through a depression of steadily increasing magnitude."

	Tonnage passing through the Canal	Total Receipts.	Expenses including Depreciation and Reserves.	Amount of Profit Available for distribution.	Dividend per share after deduction of French taxes.
	Tons Net	Fr.	Fr.	Fr.	Fr.
1925	26,762,000	608,677,855	144,337,833	464,770,704	300
1926	26,060,000	746,547,805	148,807,776	598,892,394	420
1927	28,962,000	784,595,099	145,718,339	636,642,253	455
1928	31,906,000	1,167,112,088	453,965,912	712,192,676	510
1929	33,466,000	1,189,958,441	451,323,859	737,478,309	530

In a statement issued by the suez Canal Company in reply to the criticisms of various shipping associations and Chambers of Commerce (a summary of which appeared in the London Times of the 27th March 1931) it was mentioned that "for the great bulk of goods passing through the Canal the dues represent but a fraction 1 or 2 percent of their values" and that therefore "the effect of the dues on the total commerce passing through the Canal was negligible and might indeed be dismissed as practicallv nil, so far as the Europe bound traffic from countries beyond Suez is concerned". My Committee would point out, however, that with the existing low level of world prices and narrow trading margins a reduction in the Canal Dues might have an appreciable, and possibly decisive, effect on the prices at which certain commodities from India could be sold in Europe in competition with the imports from countries which have not to use the Suez Canal, *e. g.* linseed from the Argentine.

My Committee feel that this is a matter of considerable importance to Indian trade and one in connection with which the Association should take action. They therefore suggest that the other Chambers might be consulted with a view to putting up a case either to the Government of India or to such other authority as the President may consider desirable in order that pressure might be brought to bear on the Suez Canal Company.

It would appear from a telegram in this morning's "Times of India" that in replying to a question in the House of Commons, the President of the Board of Trade, Mr. Graham, said that the complaint of British Shipowners against the scale of Suez Canal dues was being carefully considered, and he hoped soon to be able to make a statement.

It seems to my Committee that if the British Government who are the largest shareholders in the Suez Canal Company could be persuaded to accept the case for a reduction in dues, it would be more likly to produce an effect than any other from of pressure.

Letter No. 851 dated 2nd May from Chamber to the Bombay Chamber of Commerce

Your letter of the 23rd instant, No. 905/157. was considered by the Committee at their last meeting. They are in accord with the view expressed by your Committee in their representation to the Associated Chambers of Commerce of India and Ceylon that there is a great and vital necessity for getting the Suez Canal dues reduced. Such a reduction is necessarily in the interests of Indian trade and industry and my Committee will be glad to cooperate with you in any representation which may be sent up to the authorities on this question. In the meanwhile, this letter may be taken as an expressiosion of their views on the subject.

APPENDIX 18

Rate Cutting by the British India Steam Navigation Co.,

Letter No. 1026 dated 21st May 1931 from Chamber to Government of India, Commerce Department.

I am directed by my Committee to send to you herewith a copy of a letter which they have received from Messrs. Ranchhoddas Purshotam & Co. dated 20th April, setting forth clearly how the rates of freight are kept high when a Shipping Company has practically got the monopoly of the trade on certain routes.

It will be observed from the letter enclosed that when the B. I. S. N. Co. practically had the monopoly of the carriage of rice from Rangoon to Zanzibar the Company charged Rs. 35/- per ton As soon as, however, a shipper to protect his trade, chartered a steamer the rate was brought down to Rs. 17 per ton and the threat was held out that it would be reduced still further and fixed at Rs. 12 per ton. It will be noted that that would be a reduction of more than 65% on the rate quoted by the monopolistic interests.

As several countries in the East have been growing more and more of rice and forwarding them to the countries where India has

built up a market, my Committee consider it essential that Government should see what unduly high rates are not kept by the monopolistic interests on these routes so that Indian shippers may not lose their market which they have built up with so much care in the past.

My Committee have also to invite your attention to the fact that as the Indian Mercantile Marine does not exist, so far as the international trade is concerned, India's export trade is likely to suffer under such circumstances as are mentioned in the letter enclosed and have, therefore, to urge upon Government the desirability to take some concrete steps to translate into practice their oft-expressed desire to develop the Indian Mercantile Marine, both in the Coastal trade and in the foreign trade of India.

My Committee would here like to point out that such heavy fluctuation in rates is made possible by the pernicious system of deferred rebates. My Committee, along with the Indian commercial community, have pointed out to Government the danger consequent on the system, and are surprised at Government's complaisance in not taking stringent action to end this malpractice.

As the B. I. S. N. Co. Ltd., has been drawing substantial subsidies for the carriage of mails from the Government of India my Committee venture to observe that the Government of India could bring sufficient pressure to bear upon that Company not to adopt tacties of the nature referred to in the letter sent herewith, and thus ruin the trade of genuine shippers interested in the export trade of the country. Government should ask them to maintain such rates as are fair and reasonable under all the circumstances of the trade and should see that they are not reduced to a ridiculous level merely to wipe out both bonafide shippers and shipowners and raised again irrespective of the requirement of the trade or its effect on India losing the market for her exports to the foreign lands.

APPENDIX 19

International Convention On Load Lines

Letter No. 42 M. 1/30 dated 25th May 1931 from Government of India, Commerce Department, to Chamber.

I am directed to forward a copy of the paper noted on the margin and to request that the Government of India may be furnished with the views of your Chamber on the question of the ratification by India of the International Convention respecting Load Lines, 1930.

1. International Convention respecting Load Lines, 1930.
2. Report of the Delegates of India to the International Load Line Conference, 1930.

2. I am to invite particular attention to the provisions of the Convention concerning zones and seasonal areas which are of special interest to India. As you are aware, the present "Indian Summer" period is 15th December to 30th April in the Bay of Bengal and 1st December to 30th April in the Arabian Sea. Last year when the proposals of the Board of Trade for holding an International Conference in London were under consideration, shipping interests in India expressed the view that the period of "Indian Summer" should be extended. The Government of India after taking into consideration their views were prepared to agree to the inclusion of the 1st half of December in the "Indian Summer" period in the Bay of Bengal. In the case of the Arabian Sea, while it was recognised that on the basis of meteorological data there would be no objectiones to the period from the 10th September to the 15th October in the "Indian Summer" period, it was thought preferable on administrative grounds to maintain the existing dates. Those views were placed before the Conference by the Delegates of India, but they were not accepted, and under the Convention as adopted by the Conference, the existing "tropical" period (which term has been substituted for the term "Indian Summer") in the Bay of Bengal has been shortened by 15 days at the end of April, while in the case of the Arabian Sea the period has been extended.

3. In this connection, I am to observe that the criterion adopted by the Conference for the "tropical" zone was that there should not be on the avarage more than one hurricane in 10 years during any one month. As this criterion has been applied uniformly

throughout the world, on the basis of the meteorological data available, it cannot be urged that the first half of December and the second of April should be included in the "Tropical" zone in the Bay of Bengal.

4. It would, however, be open to the Government of India to permit tropical loading on voyages which are not international, because the Convention applies to international voyages only. But it is doubtful if it would be desirable to make any distinction between "national" and "international" voyages in this respect, particularly in view of the definition of an international voyage, which includes a voyage from a port in British India to a port in an Indian State, or to a foreign settlement in India. If the Government of India ratify the Convention and thereby accept the decision that for the safety of shipping the "tropical" zone in the Bay of Bengal should be from the 16th December to the 15th April, the convention rules should be applied to national voyages also because it could not be maintained that the conditions of a national voyage are in any way safer than those of an international voyage. For instance, it would not be possible to say that a voyage from Rangoon to Madras was in way safer than a voyage from Madras to Singapore. The Government of india would, however, be glad to know whether your Chamber considers that it would be possible to justify a distinction being drawn between "national" and "international" voyages. For the reasons given above, the provisional view of the Government of India is that no such differentiation would be justifiable.

5. As regards the question of ratification, I am to observe that the Government of India are provisionally of opinion that the Convention should be ratified on behalf of India. His Majesty's Government in the United Kingdom will presumably ratify the Convention and adopt the restricted "tropical" period in the Bay of Bengal. If the Government of India were to refuse to ratify the Convention and were thereby to maintain the present dates for the "topical" period, the resulting difference between the Government of India Rules and the Board of Trade regulations would give rise to a troublesome and complicated situation. Moreover the position would be that, while the rules issued by the Government of India would permit all British ships to load in British Indian ports down to the "Tropical" line in the second half of April, British ships which have been marked and kept marked

in accordance with the requirements of part V of the Merchant Shipping Act, 1894, would still be governed by the Convention rule and would not be able to load to the "tropical" mark during the above period. The majority of British ships trading in the Bay of Bengal have been marked in accordence with Part V of the Act of 1894 and non-ratification by the Government of India would not be of any benefit to these ships. It is on general grounds desirable to maintain uniformity between the Board of Trade regulations and the rules made by the Government of India, and as explained above the introduction of a divergency in this matter will confer no advantage on the majority of British ships trading in the Bay of Bengal.

6. In conclusion, I am to say that the Government of India would be glad if they could be furnished with the views of your Chamber at an early date. The reply to this letter should be sent through the Principal Officer, Mercantile Marine Department, and should reach the latter, if possible, not later than the 1st August 1931.

No. 1863 date 18th September 1931 from Chamber to the Mercantile Marine Dept., Bombay.

I am directed to refer you to Government of India letter, Department of Commerce, dated 25th May, on the above subject, and in reply to inform you that my Committee have no objection to Government of India ratifying the above Convention.

In this connection I am to invite a reference to this office letter dated 8th May 1930 to the Government of India, Department of Commerce, wherein my Committee had voiced their opposition to the reduction of the period of 'Indian Summer'. They observe from the report of the Indian Delegation, para 24, that the report of the Data Sub-committee was submitted to the Main Zones Committee where considerations other than meteorological were permissible, and my Committee thought that the Government of India would have availed themselves of that opportunity and would have at least made a definite reservation in regard to the reduction of the period of 'Indian Summer', somewhat on the lines of the

reservation made by the United States Delegation under similar circumstances. My Committee, however, do not wish to offer any opposition at this stage to the Government of India ratifying the Load Line Convention, provided that the Government, as desired, by the shipowners of sevral countries at the Conference, would give a definite assurance that they would carefully study the meteorological date of the Bay of Bengal with a view to the revision of the tropical period at some future date.

As regards the application of the Covention to national voyages, my Committee have carefully gone through the observations made in paras 4 and 5 of the letter form the Secretary to the Government of India, Department of Commerce, dated the 25th May 1931, and are of the opinion that the rigorous terms as regards the tropical period applicable to international voyages should not be applied to national voyages. It is not the contention of my Committee that the conditions of a national voyage are in any way safer than those of an international voyage. The reasons which have actuated my Committee not to offer any opposition to the ratification of the proposed Covention is merely their desire to fall in with a line with other countries. The decision of my Committee is based on the ground of expediency and not on the merits of the case. My Committee venture further to observe that, having regard to the many improved conditions under which navigation is carried on in modern days, which assist the safety of life at sea and about which a mention was made by them in their letter of the 8th May 1930, the tropical period for the Bay of Bengal should not be less than the 15th November to 30th April, so far as the national voyages are concerned.

With reference to the definition of international voyage, as stated in para 6 of the report of the Indian Delegation, namely, "a voyage from a Port in British India to Port in an Indian State, or to a foreign settlement in India, or to a Port in Ceylon, is an international voyage", and the correspondence which passed on the subject between Captain Ookerjee and Sir Geoffrey Corbett, the Head of the Delegation, my Committee are aware that technically speaking voyages between such ports will not be classed as national voyages, although such an interpretation is not quite justified from

the definition of an international voyage, given in Article 3 (*c*) of the International Convention on Safety of Life at Sea, 1929. My Committee are, however, definitely of the opinion that, having regard to nature of such voyages, they should be classed as national voyages, and strongly urge upon the Government of India to take early action under Article 2, para 2, of the Convention to make arrangements with the countries concerned to cassify such voyages as national voyages only.

With reference to the application of the Convention to the country craft of more than 150 tons gross, my Committee do not know what the intentions of the Government are as regards the application of this Convention to such vessels. These vessels are generally plying in the Arabian Sea after the cocoanut holiday, *i. e.* about the middle or end of August, and my Committee are of opinion that no such unnecessary burdens should be placed on this class of vessels as will drive them out of the trade.

APPENDIX 20

Indian Sailors' Homs Committee: Chamber's Representative on:

Letter No 46 M 11/31 dated 5th August from the Government of India, Commerce Department, to Chamber

I am directed to say that the Government of India have accepted the recomendation of the Indian Sailors' Home Committee, Bombay, that a nominee of the Indian Merchants' Chamber, Bombay should be on the Committee of Management of the Indian Sailors' Home, Bombay, to be constituted on the completion of the construction of the Home. I am accordingly to request that the name of the person nominated by the Indian Merchants' Chamber, Bombay, for the purpose may be intimated to the Government of India at an early date.

2. As regards the suggestion contained in para 7 of your letter to the Government of Bombay No. 183, dated the 29th January 1930, that a nominee of the Indian shipping interests should be on the proposed Committee, the Government of India do not see any

particular reason why Indian shipping should be separately represented. It is for your Chamber to decide whether their representative on the Committee should be a member who represents Indian shipping interests.

Letter No. 1643, dated 19th August 1931 from Chamber to Government of India.

I am directed to acknowledge receipt of your letter No 46-M. 11/31 of the 5th instant, and in reply to say that my Committe have nominated Mr. M. A. Master, General Manager, Scindia Steam Navigation Co., Ltd., Sudama House. Wittet Road, Ballard Estate, Bombay, as their representative on the Committee of Management of the Indian Sailors' Home, Bombay.

APPENDIX 21

Period of detention of V. P. articles

Letter No. 60 dated 8th January 1931 from Chamber to the Director General of Posts and Telegraphs

The attention of my Committee has been drawn to the Postal Notification dated New Delhi, 5th December 1930, marked "levy of demurrage on value-payables articles kept in deposit in Post Offices". The notice is dated 5th December 1930 and the proposed changes are announced to take effect from the 1st January 1931. My Committee beg to point out that the notice is too short, and that it is not possible for the public bodies to lay their views on the changes before the authorities in time. Again the notice simply records the intention of the authorities to introduce the changes without giving any sufficient reason for the same. My Committee would like to be enlightened as to the reason why it has been found necessary to introduce the changes.

Coming to the new proposal, they are of opinion that the time of three days proposed in the new rule is too short. My Committee may be allowed to point out that the V. P. system is taken advantage of to a large extent by traders, specially small ones, and mofussil purchasers and is considered a good vehicle for the furtherance of trade and the provision of amenities of life. The time limit of 10 days now given allows sufficient time for the acceptance of the V. P. parcels, but the proposed changes, my

Committee are inclined to think, by not allowing sufficient time, will adversely affect the interests of small traders and mofussil buyers and will, therefore, naturally tend to make the V. P. system unpopular. My Committee, therefore, consider that the proposed changes are definitely to the disadvantage of that class of the commercial community who take advantage of the V. P. system and urge the retention of the old time of detention, *viz.* 10 days.

Again my Committee are surprised at the proposal to levy a demurrage for retention of V. P. articles for more than three days. At this time of acute economic depression my Committee feel that this will amount to an additional tax on the small trader. As has been stated above, this will further make the V P. system unpopular.

Letter dated 20th January 1931 from the Director General of Posts and Telegraphs to the Chamber.

In reply to your letter No. 60, dated 8/1/31, I am directed to enclose for your information a memorandum showing the reasons for introducing the system of demurrage on Value Payable Articles in deposit.

The object of the new rule limiting to three days the period of free deposit of value payable articles received for delivery in post offices oppears to have been generally misunderstood.

2. It is one of the basic principles of the value payable system that no article should be sent value-payable without a clear and definite order from the addressee; no person is expected to order an article to be sent under this system unless he is in a position to pay for it as soon as it arrives. If therefore, the Post Office refuses to keep an article in deposit free for such a long period as 10 days, this should not constitute a grievance.

3. The main object of the new rule is to prevent the deliberate misuse of the Value Payable System by a certain class of addressees, who for their own advantage or convenience defer taking delivery of value payable articles till the very last day with the result that the post office is turned into a ware-house for the storage of their articles while they are raising money to pay for them. The new rule is not meant to penalise those who have a genuine desire to

take delivery of articles which they ordered as early as possible after their arrival. The free deposit of the articles for three days at the post office is more than enough in their case.

4. Looking at the matter from the point of view of the sender of the value payable article it may be justly said that he is entitled to receive payment for his goods at the earliest possible momen and that a long deposit in the post office causes loss and inconvenience to him.

5. The period of three days is to be counted from the day of presentation of the article or the delivery of the intimation of its arrival, and not from the date of the arrival of the article in the post office. Three clear days are thus available for the addressee in which to collect the sum necessary and take delivery of the article By giving ten days for this purpose, as it did hitherto, the Post Office was really doing much more than was necessary. The public is now more business-like. Today therefore a shorter margin of time may well suffice.

6. It has been said that in some cases value payable articles contain Railway Receipts and that they cannot be taken delivery of until the goods invoiced have arrived at the railway stations. A railway receipt is a clear proof that the article has been despatched and it is unnecessary for the addressees to wait for the arrival of the goods at the Railway stations. When it is desired that the Railway Receipts should not reach the addressees much ahead of the goods, the senders can arrange to despatch the railway receipts a little later.

7. The Post Office has not attached any great importance to the consideration of prospective income from demurrage in starting the levy of the charge. The real object has been to reduce unnecessary work involved in keeping and accounting for value payable articles for as long as 10 days, to save the space necessary for the accommodation of value payable articles for that period and to minimise opportunities for frauds and abstraction now rendered possible and to ensure to the senders either an early payment of the value or a quick return of their article. The system of demurrage

has long been in existence on the Railways and has helped the Railways to keep down the work of stocking and accounting for goods in their charge. This obvious advantage of the system has been the chief consideration of the Post Office in adopting the system used by the Railways.

Letter dated 29th July 1931 from the Director General Posts and Telegraphs to the Chamber.

I am directed to say that with effect from the 1st August 1931, the period of free deposit of inland V. P. articles in the post offices of delivery has been raised from 3 to 7 days. An extension of seven further days will be allowed on a written application from the addressee agreeing to pay demurrage at the rate of two annas per article per diem or part of a day beginning from the eighth day. The total period of deposit of a V. P. article, free or on payment of demurrage, has thus been raised to 14 days. Demurrage is not payable in advance, but will be realised in cash at the time of delivery.

APPENDIX 22

Free Transmission of Complaints Against the Posts and Telegraphs Department

Copy of letter No. 2160 dated 29th October 1931 from the Indian Merchants' Chamber, Bombay, to the Director General of Posts and Telegraphs, New Delhi

I am directed to address you as under, in connection with your Notification, dated 1st September, 1931, announcing the withdrawal from 1st January 1932 of the concession of the free transmission of complaints against the Post and Telegraph Department. My Committee regret to note that the Postal Department should have thought fit to cancel a privilege, which the public have enjoyed for a long time, of transmitting through post free of charge such complaints. If the step was intended with a view to bring in additional revenue to Government, they are afraid that the authorities are bound to be disappointed. It must be clear to any one that with the cessation of the concession, *bona fide* complaints, as well as suggestions for reforms, which were an eye-opener to the postal Department, would automatically cease. The withdrawal of the

concession will mean the prevention of information about many irregularities reaching the proper authorities. On the contrary, facilities for such complaints will induce vigilant attention on the part of the junior postal officials in the discharge of their duties. My Committee are afraid that, in their anxiety to net in as much revenue as possible, the postal authorities have, without regard to the consequences, proposed to discontinue such an essential facility which was as necessary in the interests of the Department itself as in those of the public. It is hoped that the Government will be pleased to revive the facility.

Letter No. 125.1 M/31 dated 23rd November from the Director General to Chamber

With reference to your letter No. 2160, dated the 29th October 1931, I am directed to say that the Government of India regret that they cannot modify the orders already issued on the subject.

APPENDIX 23

Increase in Rates for Postal Parcels

Letter No. 1233 dated 26th June from Chamber to the Director General of Post and Telegraphs

The attention of my Committee has been drawn to the Notification No. 201.1. M-T 1/30 amending Rule I of the Indian Post office Rules, 1926. Under the new rules it is proposed to increase the rates for parcels, from 20 tolas to 40 tolas in weight, from 3 annas to 4 annas, and a similar increase for every additional weight of 40 tolas or part thereof. This increase in rates by about 33 per cent will hit hard the small traders, who have occasion to make use of the postal parcel system very frequently. My Committee regret that, at a time of acute economic depression from the effect of which small traders are suffering most, the Postal Department should have thus imposed an additional taxation on them.

Postal Notification

Letter No. 201-I. MT1/30

In exercise of the powers conferred by the Indian Post Office Act., 1898 (VI of 1898), the Governor General in Council is pleased to direct that, with effect from 15th June 1931, the following further amendment shall be made in the Indian post office Rules 1926, namely :—

In Rule I of the said rules, under the heading Parcels, for the entries:—

"(*a*) Parcels not exceeding 440 tolas in weight :—

Old:—For a parcel not exceeding twenty tolas in weight. Two annas.

For a parcel exceeding twenty tolas but not exceeding forty tolas in weight Three annas.

For every additional forty tolas or part of that weight Three annas."

the following entries shall be substituted, namely :—

"(*a*) Parcels not exceeding 400 tolas in weight :—

New:—For a parcel not exceeding twenty tolas in weight Two annas.

For a parcel exceeding twenty tolas but not exceeding forty tolas in weight Four annas,

For every additional forty tolas or part of that weight. Four annas."

Letter dated 13th July from the Director General to Chamber.

In reply to your letter No. 1233, dated the 26th June 1931, I have the honour to say that it was only after the most careful consideration that the Government of India raised the parcel rates to the limit allowed in the Finance Bill and they regret that they are unable to revert to the rates in force before the 15th July 1931.

APPENDIX 24.

Posting of Machine—Franked Articles.

Letter No. 148-I.M/ T 1 dated 31st July 1931 from the Director General of Post and Telegraphs to Chamber

I am directed to say that before 1929, machine-franked articles were allowed to be posted at specified post offices only. In 1929 however, this restriction was withdrawn and such postal articles were permitted to be tendered over the counter at any post office, provided that the franking machine window ticket issued with the license was produced when the articles were posted.

2. It has been represented to the Director-General that the licensees of the machines generally post the machine-franked articles at one and the same post office, which is usually the one nearest to their place of business, and that the permission to post at any other office is liable to abuse and likely to cause loss both to the sender and to the post office.

3. The Director-General is therefore considering the withdrawal of this apparently needless concession and a reversal to the former arrangement under which machine-franked articles could be posted at only one post office named on the die. Before modifying the order, however, he would be glad to be acquainted with your views on the subject.

Letter No. 1612 dated 14th August 1931 from Chamber to the Director General.

With reference to your letter No. 148-I.M/T 1. 29, of the 31st July 1931, my Committee have no objection to the proposal to restrict the posting or machine-franked articles to a particular Post office.

FINANCE, TARIFFS AND TAXATION.

APPENDIX 25

The Budget of the Government of India for 1931-32

Telegram dated 6th March 1931 from Chamber to the Government of India, Finance Department

" Considering the Budget estimates as a whole, noting that the Finance Member is aware of and has made allowance for intense depression now prevailing and for the slowness of recovery, the Committee of the Indian Merchants' Chamber fear that his estimates will not be realised, as there are few signs of the trade depression lifting in near future. Need for rigid economy is all the greater in view of the world economic conditions. Committee regret to have to refer again to the abnormal Military expenditure and expenditure on Civil establishments. Even the small saving proposed to be effected in Military expenditure by repeating the process of last year, *viz.*, spreading the re-equipment progamme over one additional year, and taking advantage of reduced cost of various articles is not real retrenchment at all, as the first process does not really relieve the country of its burden while the second is merely taking advantage of fortuitous circumstances due to fall of prices. Prices have fallen more than 30 per cent. and a greater reduction could well have been found possible in the Military expenditure through this one means alone. It is regrettable even after eight years Government have not been able to reach the figure of Rs. 50 crores suggested by the Inchcape Committee. Savings effected in Civil expenditure also are quite insufficient. Committee are of opinion that aggregate provision for Sinking Fund is excessive and that on a review of the several component prtas of the Public Debt, the rate at which provision is made for each class of this Debt will indicate the excess.

They therefore urge that particularly in view of the extraordinary financial situation of this year, provision by way of sinking fund may be re-examined with a view to possible reduction. Committee would take this opportunity again to repeat their view that the continued exemption of Sterling securities from Indian Income-tax

be removed. In this connection, they would add that the exemption, as at present given to salaries on leave and pensions of Indian public servants in Britain from Indian Income-tax, is indefensible and must be stopped. Committee agree with the principle mentioned in paragraph 89 in so far as it relates to investments in foreign countries and foreign securities, but they must point out that any capital which is exported from India for the purpose of buying back India's own obligation should in no way be discouraged. Committee are of opinion that the proposals by way of Income-tax in so far as they affect salaries of public servants would not make sufficient reduction necessitated by the present financial position of India. They would, therefore, urge that a reduction be made on salaries with a minimum of Rupee 250 at a progressive rate, rising from 10 per cent, the more so as the fall in prices has been very considerable. Committee consider that the Finance Member's proposal for additional duty on Kerosine makes a heavy burden on the consumer and as such should be dropped. As regards Silver Committee reiterate their opinion of last year, the more so as the proposed increase over last year makes an aggregate charge of 50 per cent *ad valorem* on the import of silver. The proposals to raise the Income-tax will have an unfavourable reaction on trade and industry. Committee consider proposed increase from 5 to 9 pies on incomes between 2000 and 5000 too steep. They also regard the increase in highest grades excessive.

Taking all the above proposals together, Committee are of opinion that if practical effect is given to their suggestions, there would be no need for imposing any new taxation on income and there would also be some room for giving relief in the matter of taxes already existing."

APPENDIX 26

Supplementary Finance Bill, 1931-32 and 1932-33

Telegram dated 4th November from the Chamber to Government of India, Finance Department

" While recognising the need for balancing the Budget, in the absence of Reports of Retrenchment Committees, which Chamber has not yet been able to obtain from Government, the Committee of

the Indian Merchant's Chamber are not in a position to say how far the recommendations of the various Retrenchment Committees have been given effect to. They have all along taken the view that the terms of reference of the Retrenchment Committees were extremely limited, and that, if they had been wider, Committee have no doubt, greater retrenchment would have been recommended. Committee are of opinion that until all the avenues for reduction of expenditure, both in the Civil and Military Departments, have been fully explored the case for putting extra burdens upon the taxpayer in these times of severe depression is far from having been made out. The Finance Member's statement shows how disproportionately small is the amount of retrenchment proposed, especially the cuts in the emoluments of Officers, both Civil and Military, as compared with the extremely heavy burdens of new taxation. The total reduction in expenditure in 1932-33 amounts to only 890 lakhs as against fresh imposition of 1483 lakhs. Even the 890 lakhs retrenchment is wholly disproportionate to the fall in the prices of materials and services, and out of this reduction in emoluments of Officers amounts only to Rs 190 lakhs. This cannot be regarded as equalising the burden on all shoulders at a time of dire necessity. So great is the solicitude for the 'services' that the reduced rate of emoluments will operate only up to 31st March, 1933, and that the same might even be reconsidered before that date. When, moreover, it is remembered that the cuts imposed upon the 'services' are inclusive of the enhanced income-tax it would be seen that their contribution is extremely meagre, especially when it is compared with cuts which had to be borne by Government servants in England. In the United Kingdom it has been possible to bring about much greater cuts in the pay of Officers who, compared with those serving in India, are already drawing a lower scale of pay. Action, moreover, in India is extremely belated in spite of the great necessity. Regarding the taxation proposals the Committee are emphatically opposed to the duty on raw Cotton, Machinery and Dyes, as the same will impose burdens on the industry of the country impeding its progress. Again they are opposed to the increases in the rate of tax on income, and particularly with regard to the

lowering of the exemption limit under Rs. 2,000/-. The Committee are afraid that the 'law of diminishing returns' will begin to work with regard to these income-tax increases. They are also definitely of opinion that there should be no increase in the 'salt tax' nor in the postal charges."

APPENDIX 27

Statement by the Secretary of State for India Re "Financial Safeguards"

Telegram dated 19th March from Chamber to His Excellency the Viceroy

"With reference to the statement made by the Secretary of state in the Commons on March Twelfth Committee Indian Merchants Chamber consider that the words used namely the Financial Safeguards referred to in paragraph eighteen and twenty of the Federal Structure Committee Report are essential and cannot be abated are inconsistent with the declaration of policy made by the Prime Minister on behalf of His Majesty's Government at the conclusion of the Round Table Conference as also with the letter as well as the spirit of the Irwin Gandhi Settlement. Committee fear that statements of this character from responsible authorities are likely to prejudice peaceful atmosphere which is essential for amicable settlement. They trust that early opportunity will be taken to dispel impression created.

APPENDIX 28

Indo-British Settlement of Accounts

Letter dated 8th April 1931, from Mr. J. C. Kumarappa to the Chamber

To materialise the financial clause contained in the fifth resolution of the Karachi Congress (ratifying the Gadhi-Irwin Pact), the Working Committee of the Congress has passed the following resolution.

"The Working Committee appoints a Committee consisting of Mr. D. N. Bahadurji, Professor K. T. Shah, Mr. Bhulabhai J. Desai and Mr. J. C. Kumarappa (Convener) to carry out a scrutiny into the financial transactions of the East India Company and the British Government in India and the so-called Public Debt of India and to report on the obligations which should, in future, be borne by India or England. The Committee be requested to present its report by the end of May 1931."

I am writing to invite you on behalf of my Committee to put forward your views on relevant transanctions relating to which you may have in your possession materials or information which will be of value in our work. If you have already expressed your views on these matters, I shall be glad to have an indication of the source from which I may be able to secure such material.

It will greatly facilitate our work, if you can send in to me any statement, you are pleased to submit, before the 25th instant to enable us to complete our work in time.

It is needless for me to mention that any co-operation you may extend to us in this Public work will be much appreciated by my Committee.

Notes on Indo-British Settlement of Accounts

It will be noticed that the resolution of the Karachi Congress is not limited to the so-called Public Debts or to the transactions of the British Government of India, but brings within its scope even dealings of the East India Company entered into at the instigation of the British Government. The aim is to ascertain the damage caused to India by a deliberate policy of exploitation.

The past transactions to be examined can be divided into three main groups.

I Where errors of principle have been committed *i.e.* items which should not have been borne by India, *e.g.* Foreign Military Expeditions etc.

2. Deliberate undue preferences, *e. g.* £ 100 millions War Gift, Discriminating Railway Rates and Tarrifs, Exchange Policy.

3. Damage caused by Administrative mismanagement *e.g.* Building of New Delhi, Bombay Back Bay Scheme, etc.

Past transactions include many items which a National Government cannot ratify. An instance of this is the tribute, 400,000 pounds per year, paid out of Indian revenues, by the East India Company to the British Treasury. Robert Knight, a Former Editor of *The Times of India* writes (Our Financial Relations with the Indian Empire, page 28) in 1866, in regard to this "I have looked somewhat carefully into this subject and I avow my conviction that if we calculate the annual increase at 5 per cent only on that capital, England is to-day richer by 1000 millions Sterling and India poorer by the same amount than either would have been but for that abstraction." We have to add to this the claim since 1866 to 1931 allowing for variation in the general level of prices.

As an example of the computation suggested, the claim in respect of 70 million pounds, which was credited to the East India Company by the Crown as purchase price, and which included the cost of wars in China, Burma, Afghanistan, Persia, Cape of Good Hope, Manilla, the Mauritius and the Moluccas, is worked out below roughly in round figures.

Capital amount of wrong debit		70
Interest paid at 3 million pounds per year for seventy three years.		219
Consequential loss of interest, Simple interest at 4% on these payments.	Say	9
	Total	298

Million pounds.

The original debt of seventy millions in 1857 results in a claim of 298 millions to-day, out of which there can be no question in respect of the first two items 289 millions-which represent actual out-of-pocket payments made by India and which must be claimed even as a mere restitution, without any talk of interest, while the last item might well be contested by the Britishers at the Independent Tribunal. Of course, these will have to be accurately computed, by an Actuary and similar calculation with adjustments due to variations in price levels also made in respect of other items placed in our first two groups, *i. e.* involving errors of principle and those due to undue preference.

Apart from actual cost of wars etc. debited a claim has to be made in respect of higher expenses incurred for maintenance of forces for Imperial purposes. The standard of equipment etc. of the Indian Army has been necessarily maintained for this reason at a higher standard than what would have been needed merely for defence and internal order in India. It is estimated that one third of the annual Military Expeuditure could well be charged to the Empire Account. We cannot overlook this claim while we may even ignore the charges to India in respect ot upkeep of the India Office and High Commissioners Establishment in London. It may be noted here that expenses of Colonial Offices in London are borne by Great Britain, while India, the milch cow has to find her own fodder, However, these may be passed as administrative blunders though these are deliberate ones.

It is suggested that your statement may include,

1. The transaction to which exception is taken, giving reasons.
2. The amount of such transactions stating source and authority and indicating portion to be charged to Great Britain.
3. Interest actually paid on these.
4. Consequential loss which in your opinion should be included in the claim.

It will be much appreciated if all statements are sent in time to reach the Committee before 25th April 1931.

Letter No. 755 dated 17th April from Chamber to Mr. Kumarappa.

I am directed to acknowledge receipt of your letter of the 8th instant, re. garding Indo-British settlement of accounts.

My Committee are of opinion that there should be a fair and impartial enquiry into the obligations with which India has been burdened in the past, some of which are still outstanding. For example, a considerable portion of the obligations has been occasioned by wars and expeditions in furtherance of British Imperialist interests. An International Tribunal should examine which portion or portions of the obligations or the public debt are justly chargeable to this country. The Indian people are also entitled to share in the reduction, as a result of the revision of international indebtedness for which negotiations are now going on. The award following upon such an enquiry shall be binding on both parties and all necessary steps shall be taken by the parties concerned to give effect to the same.

In this connection, reference may be made to the statement by Sir Tej Bahadur Sapru and Mr. Jayaker in their peace pourparleys with Congress leaders that they had reasons to believe that H. E. the Viceroy could not entertain any proposition amounting to a total repudiation of all debts, but it would be open to any one to raise at the Round Table Conference any question as to any financial liability of India and to call for an examination.

My Committee regret that they are not in a position to put forward a detailed statement in the time at their disposal.

APPENDIX 29

Currency and Exchange—Linking Rupee to Sterling

Telegram dated 22nd September from Chamber to Government of India, Finance Department

" Secretary of State's proposal regarding ratio most harmful. Stability on which Finance Member has always laid so much stress will automatically disappear by linking with Sterling which is depreciating and fluctuating violently in terms of gold. In times of panic

but is impossible to say to what depths Sterling may go. There is little to choose between such instability and instability that may be caused by leaving rupee to find its own level in terms of gold. Obviously there is no necessity to link with such currency specially when it contravenes specific recommendations of the Hilton Young Commission in that rupee must be linked to gold to secure a true gold standard which was what the country always demanded. To depart from this is not playing fair. It may be argued that depreciation of rupee in terms of gold because of depreciation of Sterling is country's objective but this will be attained by leaving exchange alone and without endeavouring to support rupee on the basis of 18d. sterling which will result in frittering away the remaining slender reserves. Commercial and banking opinion extremely doubtful whether inspite of utmost obstinacy it will be possible to maintain the ratio for any length of time. Finance Member's statement yesterday about preserving our gold is half-truth as our gold resources consist not only of gold bullion but also of gold securities whether held in the gold standard reserve or paper currency reserve. Since December last nearly 35 crores of our reserve already frittered away. It is true that our gold bullion is increased by 7 millions but there is a simultaneous decline in our gold securities of 35 crores and this increase of 7 millions is due to distress gold which people had to part with."

APPENDIX 30

Exports of Gold

Telegram dated 29th September 1931 from Chamber to the Government of India, Finance department

"Committee Indian Merchants' Chamber urge levying immediate embargo export of gold. Present high prices of gold in foreign countries are attracting large quantities from here. It is feared there will be heavy speculation and drain of gold without embargo."

APPENDIX 31

Deflection of the Pound from Gold and Assessment of Customs Duty

Telegram dated 7th October from Chamber to the Central Board of Revenue

Local merchants put to great hardship on account of Customs Department charging duty not on the invoice value but after converting in rupees or pounds into foreign currencies and reconverting into rupees. Committee Indian Merchants' Chamber suggest that invoices made out before 21st September in foreign currencies should be converted into rupees at rates prevailing before that date. The effect will be to treat equally all shipments arriving in Bombay at same time whether invoiced in foreign currencies or rupees. This should apply all transactions completed before 26th September though shipments may be coming later on presentation of proofs by merchants about genuineness of contracts. To obviate all difficulties Committee suggest all goods may be assessed at market value.

APPENDIX 32

Foreign Suppliers and Sterling Contracts

Letter No. 2012 dated 8th October 1931 from Chamber to the Indian National Committee, International Chamber of Commerce

My Committee are informed that following the suspension of the Gold Standard by Great Britain certain Continental exporters are repudiating contracts arranged on the old exchange basis, *i. e.* when the pound had a definite relation to gold, and insist that, if indents in respect of such contracts are to be executed, the importers here should agree to pay for the same in the currency of their country, or in gold. This has caused a flutter among the importers in the country. This attempt to evade contractual obligations must be strongly resisted. Apart from the legal obligation, the business relations between countries and countries will receive a shock, and business morality will be at a very low

discount. As an international organisation, with the avowed object of promoting goodwill in international trade, it should be the endeavour of your Committee to prevent such attempts to evade obligations, as otherwise the ideal and the movement for which your institution stands will receive a set-back by such attempts. My Committee request that the International Chamber should use its good offices and prestige in securing the fulfilment of agreements.

Copy of letter dated 24th October 1931 from the Secretary, Indian National Committee, International Chamber of Commerce, Bombay, to the Secretary, Indian Merchants' Chamber, Bombay

" With reference to your letter of the 8th instant, in connection with the fulfilment of contracts made in the Pound Sterling before the depreciation of that currency, I am sending to you herewith a copy of a letter received from the International Chamber on the subject. You will see therefrom that the matter is being considered by the Council of the International Chamber."

Copy of letter dated 7-10-1931 from the Secretary General of the International Chamber of Commerce, Paris, to the President, Indian National Committee of the Chamber, Bombay.

" Following the depreciation of the Pound Sterling, the International Chamber of Commerce has received requests from all sides as to the principles to be adopted in the fulfilment of contracts made in that currency.

The Executive Committee of the Court of Arbitration, at its last meeting of September 30th, examined this question in anticipation of the disputes which might be submitted to it on this subject. In these circumstances, the president of the International Chamber of Commerce has decided to call on October 22nd, 1931, at 10 a. m. a meeting of the Bureau of the Executive Committee of the Court of Arbitration and six members of the Council; this meeting has as its aim the examination of the policy to be adopted by the Chamber in connection with the devaluation of the pound sterling.

The results of the exchanges of views, which will take place during this meeting, will be submitted to the Council at its session on the following day, October 23rd. "

Letter dated 4.11.1931 from the International Chamber of Commerce to the Indian National Committee

I beg to acknowledge receipt of your letter of October 8th.

We appreciate the difficulties of the situation of Indian importers. *Similar* situation has occurred for many importers in other countries. The question has been duly examined by a special committee of the International Chamber on October 22nd and by the Council on the 23rd. You will receive in a few days the minutes of the Council Meeting. I am enclosing copy of a press statement concerning contracts in pounds sterling of which you have already received a copy.

As you will see, the Council of the International Chamber found it impossible to set up a hard and fast rule for settlement of all difficulties arising from international depreciation of the pound. The Council felt that considering the variety of cases involved no general principle could be endorsed. Moreover it could have been a handicap for the liberty and independence of our arbitrators and Conciliation Committee. Therefore the only conclusion possible was to refer all parties concerned to the Court of Arbitration of the International Chamber which will do its best to settle cases whenever both parties will accept its competence.

Press Communique dated 24.10.1931.

The Council of the International Chamber of Commerce at its meeting on 23rd October discussed the question of the difficulties raised in the execution of contracts made in £ sterling owing to the temporary abandonment of the gold standard by Great Britain.

The Council took no decision in view of the necessity of respecting the full independence of the Court of Arbitration of the International Chamber. This Court of Arbitration remains at the disposal of businessmen whether or not members of the International Chamber to settle equitably and as expeditiously as possible all international commercial disputes either by the Conciliation Procedure or by Arbitration.

APPENDIX 33

Bombay Retrenchment Committee

Letter dated 27th July from the Secretary to the Retrenchment Committee to Chamber

I have the honour to send herewith a copy of a questionnaire* issued by the Retrenchment Committee and to invite you to send in replies on any questions in which you may be interested. It is requested that replies may be sent within 15 days.

(* Refer file R. 58 of 1931)

Letter No. 1696 dated 28th August from Chamber to the Retrenchment Committee

I am directed to acknowledge the receipt of your letter of the 27th July 1931, No. 1849-B/0.2, enclosing a copy of the questionnaire set up by the Bombay Retrenchment Committee.

The Committee of this Chamber are of opinion that, looking to the financial condition of the Presidency, measures of a radical nature will have to be adopted. While my Committee appreciate that a Retrenchment Committee has been set up, they cannot consider the questionnaire as in any way adequate for the purpose in hand. Different questions in the questionnaire touch but the fringe of the problem and do not go to the root and the fundamentals of the situation. The Retrenchment Committee was asked to find out ways and means for meeting the expected deficit of Rs. 60 lakhs for the current financial year, and they made suggestions which would bring down the deficit by about Rs. 28 lakhs. Even while they were considering the situation, however, the expected deficit was further increased by about Rs. 20 lakhs and, looking to the fact that we are still in the middle of the financial year and that there are about six months more to run, the deficit may be even much more than Rs. 80 lakhs. It is said that the interim report which has been already submitted by the Retrenchment Committee deals with the position during the current year, while the questionnaire, which is now sent to the different public bodies, is meant for providing retrenchment of a permanent character. My Committee fear

that even if much of the retrenchment referred to in these questions is carried out it will not put the financial condition of the Presidency on a sound footing; nor will it provide ways and means whereby the heavy deficits expected not only this year but even during the coming years could be met with. The number and personnel of Government servants, their scale of salaries and allowances and the whole basis of administration must be critically reviewed to bring down the expenditure well below the revenues provided by the existing sources, some of which are even likely to be greatly reduced. My Committee are not sure whether, under the present system of Government, such radical changes are contemplated. If they are not, as would appear from the questionnaire, there is little reason to expect that the wide gap between resources and disbursements will be bridged.

APPENDIX 34

Imperial Bank and advances against Government Securities

Letter No. 2266 dated 7th November 1931 from Chamber to the Managing Governors, Imperial Bank of India

The Committee of this Chamber understand that a circular to the following effect has been issued by the Imperial Bank to different Banks :—

> We beg to append for your information copy extract of a letter dated the 9th instant (October) received from our Managing Governors.
>
> Please advise Banks that we will require evidence that any money lent by us is for the furtherance of genuine trade and that they cannot obtain advances from us even against Government securities unless and until we are satisfied such are required for this purpose.

My Committee would like to know the reasons which have led the Managing Governors to issue such a circular, if it has been issued. My Committee fear that such a circular will greatly inconvenience business people and merchants generally and they would also like to know how far it will come in the way of even genuine advances being made to business people.

Letter No. 4530 dated 17th November from the Managing Governor to Chamber

We have to acknowledge receipt of your letter No. 2266 of the 7th instant and in reply to inform you that it is not our custom to discuss the Bank's business with third parties.

Letter No. 2586 dated 18th December from Chamber to the Managing Governors

My Committee have given very careful consideration to your letter No. 4530, dated 17th November, 1931. This letter was in reply to a simple request for information as to the implications of the said circular in respect of applications for loans against Government securities by the Imperial Bank's clientele, including local banks and the business public. The authorities of the Bank might be aware that the issue of the said circular led to grave misapprehensions in the public mind, and this Chamber, representing, as it does, several Indian Banks and commercial firms in many trades, was directly concerned with the information in respect of the said circular. I think you will admit that a Chamber of Commerce has to safeguard the interests of the business community, and that my Chamber cannot be regarded either as exceeding its natural functions or as trying to interfere, as a third party, in asking you in the face of the circular " how far it will come in the way of advances being made to the business people". Your Directors must be aware that this Chamber has on more than one occasion in issues of this kind acted as the spokesman of the commercial community and their mediation has in the past on more than one occasion proved to be of public advantage.

From the information received by this Chamber, it appears the Imperial Bank themselves at a later stage realised that the said circular might lead to grave doubts in the minds of parties concerned, and with a view to prevent unnecessary panic and apprehension in the public mind, they themselves had to give reassurance. What my Committee are particularly concerned with is the effect of undue restrictions on credit on commodity prices. They have protested in the past against deflation of

currency, and they wanted to make sure whether the policy outlined in the circular would not tend to depress prices by undue restrictions on credit. If the Bank's reply had been informative and re-assuring, nothing more was intended. On the other hand, had the policy which this Chamber feared been disclosed from such a reply, my Committee had intended taking up this question of undue restrictions on credit with Government, but your reply unfortunately was most unsatisfactory. Under the circumstances, my Committee cannot but feel that as Bankers to Government, the Imperial Bank owe some responsibility towards a central commercial association of this kind.

My Committee cannot but feel that your reply, lacking in the ordinary courtesy of public life, cannot tend to harmonious relations between your Bank and the Indian commercial community. In view of this, my Committee assume, that the reply contained in your letter of the 17th November has not been seen and considered by the Central Board. My Committee are anxious to avoid unpleasant correspodence and, therefore, request that this correspondence should be placed before your Central Board, and such information as the Central Board desire after full consideration to make available to us in respect of the said circular as well as this correspondence may be sent to us at your early convenience.

Letter No. 5008 dated 22nd December 1931 from the Managing Governors to Chamber

We have to acknowledge receipt of your letter No. 2586 of the 18th instant which together with the relative correspondence has been considered by the Committee of the Central Board of the Bank.

2. No discourtesy is intended, but as you have already been advised, it is not our custom to discuss the Bank's business with third parties, and you will no doubt realise that such custom is based on the essential necessity for privacy in the conduct of the financial affairs and practice of those who deal with us—any departure from that custom would undoubtedly lead to serious interruption in the business of the Bank's customers, including many of your members, whose interests are our first consideration.

3. The apprehensions referred to in your letters of the 7th November and 18th December are, we think, unfounded-they have been dispelled in the course of discussions between the Bank and those chiefly concerned, who are satisfied that there is no reason to fear that there will be any lack of this Bank's Credit facilities or Currency to meet the genuine legitimate requirements of trade.

Letter No. 198 dated 17th February 1932 from Chamber to the Managing Governors.

I am directed to acknowledge receipt of your letter dated 22nd December 1931, No. 5008.

With regard to the body of the letter the Committee of this Chamber have nothing to say. They welcome the assurance that no discourtesy of any kind was intended as from the authorities of the Bank to the Committee, but the Committee are not still happy with regard to what is said in para 2 of the letter under reply where it is attempted to make out that the Chamber was a third party trying to meddle in the Bank's business with its constituents. No warrant has been given by this Chamber in its communication to the Bank for this assumption. The Chamber has, on more than one occasion, dealt with public issues affecting trade and commerce generally and with issues of policy like the one contained in the circular of the Imperial Bank and the mediation of the Chamber has been productive of good results. The Chamber propose to continue to do so, and trust that the authorities of the Imperial Bank would help them in this public object by their unstinted co-operation whenever public issues of this kind form the subject matter of correspondence as only such issues can form the subject matter of correspondence between the Chamber and the Imperial Bank.

APPENDIX 35.

List of parties from whom Government purchase sterling

No. 2376 dated 19th November 1931 from Chamber to the Dy. Controller of Currency.

The Committee of this Chamber will be greatly obliged you will be good enough to let them know if on the list of approved parties from whom you buy Sterling there are any Indian

banks or firms. If there are no such Indian banks or firms on the approved list, you will be kind enough to inform my Committee if you have received any applications from Indian banks or firms for being placed on the approved list, and, if so, with what result.

Letter dated 21st. November from the Dy. Controller of Currency to Chamber.

I have the honour to inform you that your letter No. 2375 of the 19th instant regarding the approved list of parties from whom sterling is purchased on behalf of Government, has been forwarded for disposal to the Controller of the Currency, Cullcutta, to whom further communications on the subject, if any, may be sent direct.

Letter dated 30th November from the Controller of Currency to Chamber.

I have the honour to invite your attention to the deputy Controller of the Currency, Bombay's letter No. Res. 42-4 3361 dated the 21st November 1931, regarding the approved list of parties from whom sterling is purchased on behalf of Government, and to state that there are several Indian banks on the list. As regards firms, none have been added to the list since the passing of the Currency Act of 1927, and in the present circumstances it is not proposed to add any. All applications by firms, whether European or Indian, have, therefore, been rejected since 1927.

Letter No. 2600 dated 19th December 1931 from Chamber to the Controller of Currency.

I am directed to acknowledge the receipt of your letter of the 30th November, 1931, No. B M 2174.

It is not clear to my Committee from your reply as to whether there are any Indian firms on the approved list of parties from whom sterling is purchased on behalf of Government. They also cannot understand why no new firms have been added to this list since the passing of the Currency Act of 1927. They will be much obliged if you will kindly let them know the rea-

sons, if any, which have led to such a restriction. If there were any firms from whom sterling was purchased before the passing of the said Act, presumably they were non-Indian firms only, and as no new firms have been added since 1927, Indian firms do not get the advantage at all. My Committee feel that there should not be any reason for non-inclusion of any new firms, whether Indian or non-Indian in the approved list, as the greater the number of tenderers, the greater will be the profit accruing to Government. It may mean, therefore, that Government by putting such a restriction may be working against themselves, as otherwise they may get better prices.

Letter dated 12th January 1932 from the Controller to Chamber.

In reply to your letter No. 2600, dated the 19th December 1931, I have the honour to inform you that I am not in a position to discuss the reasons for the policy adopted by the Government of India. If your Committee require any further information, I suggest that you should refer to the Government of India, Finance Department.

A List of Banks and firms from whom sterling is Purchased on behalf of Government.

The Honourable Sir Phiroze Sethna: Will Government state:

(*a*) How many Indian Banks are there in the list of the approved parties from whom sterling is purchased on behalf of Government?

(*b*) Besides banks are there firms in the list; if so, how many are Indian and how many non-Indian?

(*c*) Is it a fact that applications from firms for being included in this list have been rejected since the date of the passing of Currency Act of 1927. If so, what are the reasons for such rejections and how many such firms that applied were Indian and how many non-Indian?

List of Banks and Firms from whom Sterling may be purchased:

The Honourable Sir Phiroze Sethna: Will Government be pleased to place on the table a list of the approved parties, both banks and firms, referred to in the previous question?

The Honourable Mr. A. F. L. Brayne: With your permission, Sir, I will answer Questions Nos. 61 and 62 together.

I place on the table a list of banks and firms from whom sterling is purchased on behalf of Government. All applications from firms for inclusion in this list have been rejected since the passing of the Currency Act of 1927 because it is considered undesirable to add to the list pending the establishment of a Reserve Bank. Information regarding the number of applications from Indian and non-Indian firms is being collected and will be sent to the Honourable Member.

List of Banks and Firms from whom sterling may be purchased.

(Revised on the 28th September 1931)

BANKS

1. Allahabad Bank, Ltd,
2. American Express co., Inc.
3. Bank Nacional Ultramarino.
4. Bank of India, Ltd.
5. Bank of Taiwan, Ltd.
6. Bank of Baroda, Ltd.
7. Central Bank of India Ltd.
8. Chartered Bank of India, Australia and China.
9. Comptoir Nationale d'Escampte de paris.
10. Eastern Bank, Ltd.
11. Messrs Grindlay & Co., Ltd.
12. Hongkong and Shanghai Banking Corporation.
13. Imperial Bank of Persia.
14. Lloyds Bank, Ltd.
15. Mercantile Bank of India, Ltd.
16. The Mitsui Bank, Ltd.

17. National City Bank of New York.
18. National Bank of India, Ltd.
19. Netherlands Trading Society.
20. Netherlands India Commercial Bank.
21. Peninsular and Oriental Banking Corporation.
22. Punjab National Bank, Ltd.
23. Sumitomo Bank, Ltd.
24. Thos. Cook and Son (Bankers) Ltd.
25. Yokohama Specie Bank Ltd.

FIRMS

1. The Bombay Co., Ltd.
2. David Sassoon & Co., Ltd.
3. E. D. Sassoon & Co., Ltd.
4. Greaves Cotton & Co., Ltd.
5. Louis Dreyfs & Co.
6. Ralli Bros. Ltd.
7. Volkart Bros.

(From the Council of State Debates—Vol. I No. 6 of the 3rd March 1932.)

APPENDIX 36

Abatement of duty on damaged goods—Amendment of Sea Customs Act

Letter No. 161 dated 20th January from Chamber to the Central Board of Revenue.

I am directed by my Committee to draw your attention to the following circumstances under which a member of this Chamber was deprived of the relief by way of abatement of Customs duty under Section 34 of the Sea Customs Act on a consignment of goods received by him in damaged condition:

A barge conveying a consignment of cloves belonging to the said member sank on account of rough sea in the harbour. The goods were subsequently salvaged. But prior to the accident, the

Bill of Entry for the consignment was delivered for noting. The claim for abatement of duty in respect of this consignment under Section 34 of the Sea Customs Act was turned down on the technical plea that the deterioration of the goods happened after the Bill of Entry had been handed over for noting.

My Committee are aware that the Section, as it stands, permits of abatement only for damages "before delivery of the Bill of Entry," but in the peculiar circumstances which they have explained above, they feel that the Customs award, though within the four corners of the Section, cannot be considered to be in consonance with the idea of abatement of duty on deteriorated goods. If only the consignee had waited for the goods to be landed on the wharf, he would certainly have been entitled to the relief under the Section, which he is now denied for his anxiety to get done the Customs formalities as early as possible.

Under the circumstances, my Committee beg to suggest that the Section be so amended as to remove this anomaly.

Letter No. D. Dis. No. 67 cus. 1/31 dated 17th March 1931 from the Central Board of Revenue to Chamber

In reply to your letter quoted above, I am directed to say that the Board has ascertained that the consignment of cloves to which you refer was lost while the goods were in the custody of the agents of the steamer and not in that of the owner. In these circumstances, the owner's claim to relief would have been admissible, had section 34 of the Sea Customs Act been already subjected to the amendment that was included in the Government's proposals for a general revision of the Act which were circulated in October 1929. If that amendment is ultimately adopted, an owner will be able to claim relief for damage suffered at any time while the goods were not in his own custody. It will thus be seen that your Committee's suggestion that the section should be amended and made less restricted in its scope has already been anticipated.

APPENDIX 37

Commercial Treaties with Foreign Powers

No. 2247 dated 7th November from Chamber to Government of India Commerce Department.

I am directed by the Committee of this Chamber to address you on the question of the consultation of the commercial community by the Government of India before the latter enter into any Treaties with foreign countries. The last quarterly General Meeting of this Chamber passed the following resolution, in this connection, on the 24th October, 1931 :—

> " This Chamber recommends to the Government of India that they should cousult Commercial Associations in India previous to their entering into Commercial Treaties or Conventions on behalf of India with any foreign power."

My Committee had carried on correspondence with the Government of India in 1921-22 with regard to this question, urging that Government should invite the opinion of the Indian commercial community before finally ratifying Treaties which secured to certain countries a most favoured nation treatment, and that the Legislature should also be consulted before any such Commercial Treaties are made. A Debate on this question was raised in the Council of State in 1922 by Sir Manekji Dadabhoy, but the Government of India did not accept the demands put forward either by this Chamber or Sir Manekji Dadabhoy in the Council of State. My Committee again addressed the Government of India in 1929 emphasising that Government, before entering into Commercial Treaties, should consult Indian commercial opinion. To this request the reply from Government was that consultation with the commercial community was unnecessary. The view which my Committee expressed in 1921-22 and later on in 1929, has been further strengthened on account of the contraction of such Treaties by the Government of India with foreign powers. These Commercial

Treaties are not merely formal agreements but are sometimes very important documents, allowing certain rights and privileges to the nationals of foreign countries with regard to trading relations. It is, therefore, of the utmost importance that the Indian commercial community should be taken into confidence by Government before entering upon such far-reaching a greements. My Committee can appreciate that discussion of such commercial treaties requires a certain amount of privacy and confidence. The commercial community has now representative Chambers of Commerce, as also the Federation of Indian Chambers, and the Government of India can very well take these into their confidence, just as they even now do with regard to confidential questions which they do not want to discuss publicly and openly. The Government of India, in their letter of the 2nd March 1922, No. 1211, were pleased to observe that "as at present constituted the Indian tariff was based on revenue considerations alone and the question was therefore purely hypothetical." Since then the Fiscal policy of the Government of India has undergone a good deal of change, and many of the duties which were formerly merely revenue duties have come to be converted into protection duties or a surcharge of a protective nature added on to them. The fundamental nature of the Indian Fiscal policy is changed to a large extent and will, my Committee feel, be changed to a still larger extent in the near future. The negotiations, therefore, in future of commercial treaties with foreign powers will more and more affect commercial interests, and it is because of this principally that my Committee urge that whatever may have been the reasons for the refusal of the Government of India to accede to the reasonable demand put forward sometime back operate no longer.

Under the circumstances, my Committee beg again to urge that the Government of India should consult Commercial Associations in India previous to their entering into Commercial Treaties or Conventions on behalf of India with any foreign powers.

Letter No. 114 (27) T. & E., dated the 13th February 1932 from the Government of India, Department of Commerce, to the Indian Merchants' Chamber

I am directed to refer to your letter, No. 2552, dated the 30th November, 1931, in which the Committee of your Chamber reiterate the suggestion that the Government of India should consult the commercial community before entering into commercial treaties or conventions on behalf of India with foreign powers.

2. In reply I am to say that no fundamental change has taken place in the position, as stated in this Department's letter to your Chamber, No. 114 (7) T. & E., dated the 25th November, 1929. The fact that the Indian customs tariff includes certain protective duties and that the revenue duties have been raised in recent years has in no way altered its essential character which, as before, does not admit of any bargaining with foreign countries. The Government of India, therefore, repeat their opinion that consultation with the commercial community before entry into commercial treaties is unnecessary, and to this may be added the fact that time would not permit of consultation with the various bodies representing the commercial community during the negotiation of a bilateral trade agreement.

3. I am to add that it has been the usual practice of the Government of India to consult commercial bodies through the local Governments in regard to international commercial conventions negotiated under the auspices of the League of Nations, whenever such a course has been found to be practicable."

APPENDIX 38

Prohibition of import of Rice into India

Letter No. 947 dated 14th May 1931.

From Chamber to Government of India Commerce Department.

I am directed by the Committee of this Chamber to bring to your attention the menace to the agriculturists of India arising from the imports of rice since recent years into this country

sometimes in large and sometimes in small quantities. My Committee are of opinion that the economic effect of such imports, whether the same be large or small, is of a far-reaching character for the following among other reasons, and they, therefore, suggest to Government that immediate legislative measures be taken effectively to prevent the same and that suitable legislation be passed so as to achieve that result:—

(1). It is to be pointed out that, India, including Burma, is essentially a big rice-growing country, and it is well-known that she has always an enormous surplusage export from the sale proceeds of which a large percentage of the agricultural population of the country derive their living.

(2). Imports of rice into such a country where there is an exportable surplus would never happen as a normal and natural economic condition and would not be the result of regular or ordinery mercantile transactions. The imports in question and referred to above are from Japan and they are due to entirely other factors to which my Committee would draw your attention.

(3). It has been ascertained that about a few years ago, for special reasons particular to their own country the Japanese people exported to this country from Japan balance of rice which they had originally imported into their country from Burma and threw it on the Indian market regardless of costs or consequences.

(4). The system that exists in Japan in regard to imports and exports of rice may be very well suited to the conditions of Japan and is mainly pursued in support of an economic policy of a Government in the interests of its own nationals. This policy, however, becomes a menace to this country, as in this instance, when the surplus is passed on to us without regard to our needs and when there is not and cannot be a demend for the same. When this happens, therefore it disturbs the economic level of prices much to the prejudice of the cultivators and the merchants. For instance, this year a few cargoes of rice of Japan were offered in the Indian market at a price below a normal and fair one and this had naturally the result not only of displacing an equivalent quantity of Indian grain from the market but of reducing the final economic yield of the cultivators, because of the low price

to which the entire available quantity in the market had to submit. This was in accordance with the well-known economic proposition that a marginal supply dominates the price of the Bulk.

(5). Variation in trade of this character must considerably disturb all ordinary trade expectations and in this manner this sort of imports becomes a grave menance. It disturbs not only the trade in rice and agricultural products but the activities of shipping companies and hinders the chances of correct freights being obtained as and when more than the ordinary quantity has to be exported and a large available surplus thus comes into being. The situation becomes more complex when the transactions from Japan have been large, sudden and spasmodic.

My Committee are aware that the Government of India are extremely anxious to have a correct conspectus taken of the actual yield to the cultivator, by enquiring into his final earnings after all possible charges between the place of produce and of consumers or ports. This evidently is a right line of enquiry, but my Committee wish to draw attention to a seriously disturbing factor, like the one referred to above in which the policy and action of a foreign country particularly in protection of its own economic interests leads to this incubus on our market, of such an important product with the result that it vitiates the possibility of any correct calculation of economic price. A frequent and motivated invasion of our home market like the one referred to in this representation destroys confidence in the grower and destroys the sense of security in the business man.

My Committee consider it necessary to emphasise the position that the Japanese Government fosters the export of rice into this country, and perhaps others, regardless of costs and with the full knowledge that the cost of production even is not covered in the case of such exports. Such a condition of affairs is not natural, and one which requires the most serious attention and strong handing if it is to be put a stop to.

My Committee are of opinion that to protect Indian cultivators and merchants and prevent economc dislocations, there can

be but one remedy and that is total and effective prohibition of such imports and as the same can only be secured by suitable legislative measures they request Government to adopt the same without the least delay. My Committee trust Government will take up this question in hand at once.

Letter No. 1693 Agri dated 28th October 1931 from Government of India, Department of Education, Health and Lands to Chamber.

I am directed to refer to your letter No. 947, dated the 14th May, 1931, to the Commerce Department on the subject of the import of rice, especially Japanese rice, into this country, and suggesting the total prohibition of such imports by legislative action.

2. Your letter appears to Government to exaggerate the situtation seriously. Statistics do not support the view that imports of rice into India are on anything but a very small scale.

According to the figures which the Commercial intelligence Department publish relating to imports of rice into India, the total imports of rice, including those from Japan, were 1,25,426 tons in 1928-29,5635 tons in 1929-30 and 7,445 tons in 1930-31. as compared with total exports from India of 1,765,352 2,298,229 and 2,253,784 tons in those years respectively. Imports from Japan alone amounted to 5,112 tons in 1928-29, to 67 tons 1929-30, 2433 tons in 1930-31, and to only 526 tons in the period 1st April to 15th August, 1931, against exports from India to Japan of 7,694,3;709 and 958 tons during 1928-29, 1929-30 and 1930.31. The imports are entirely insignificant as compared with India's own very large production of rice, which ranges from 31 to 33 million tons annually.

3. On the figures given above the contention of your Chamber that Japanese or other foreign rice is a serious or undesirable competitor in the Indian market cannot be sustained. The restriction of imports for which your Chamber asks would also not help the Indian rice grower to obtain a higher price for his product: were rice kept out of Indian as suggested by yonr Cham-

ber, it would be thrown back on the world market to compete with Indian rice.

4. The Government of India, after full consideration, accordingly regret that they are unable to take action on the lines suggested by your Chamber.

APPENDIX 39

Classification of Hosiery

Letter No. 92 dated 12th January 1931 from Chamber to the Director General of Commercial intelligence and Statistics.

I am directed to refer to the previous correspondence on the subject of amplification of the head "wool" hosiery in the Seaborne trade returns, ending with your letter No. 2904 Q of the 25th March 1930 and to remind you of the assurance given that the suggestion would be considered at the time of revising the classification in April 1931. My Committee hope that for the reasons given in this office letter No. 595 of 17th March 1930 woollen hosiery would be classified under the three heads as in the case of cotton.

Letter dated 28th April from the Director to Chamber

With reference to the correspondence ending with your letter No. 92 dated the 12th January 1931, I have the honour to forward for the information of your Chamber a copy of this Department letter No. 2780-84 dated the 27th March 1931 to the Collectors of Customs (not printed) regarding the changes to be introduced in the Seaborne Trade Returns of British India with effect from April 1931.

2. Owing to limited staff it has not been possible to introduce any further changes in the trade returns which would undoubtedly result it delaying the issue of the monthly Seaborne Trade Accounts of British India. (Note : for further details refer to file R. 47 of 1931).

APPENDIX 40

Assessment of artificial silk mixed piece goods.

Letter No. 418 dated 23rd February 1931 from Chamber to the Central Board of Revenues.

The attention of my Committee has been drawn to the instructions issued by the Central of Revenue, (Customs) No. 2 of 1930, dated 1st September 1930, on the subject of classification of art, silk and wool mixed piecegoods. Under these Instructions import duty on more than 1/5th silk mixed goods was reduced from 20 per cent to 15 per cent, while on pure cotton goods it was allowed to remain at 20 per cent. It will thus take away from the cotton piecegoods in which art, silk extends through 1/5ths or more the higher duty which was designed to afford protection to the indigenous cotton piecegoods under the Cotton Industry Protection Act. Before this Act was passed piecegoods containing 1/5 or more art, silk were assessed at 15 per cent. But under the provisions of the new Act they came to be assessed at 15 per cent if of British origin and 20 per cent of non-British. The object of the Cotton Industry Protection Act was to protect indigenous cotton manufactures from the heavy non-British Competition from both the pure cotton as also from mixed piecegoods. Now the revised instructions issued by the Central Board of Revenue, by taking away the higher duty on art, silk mixed piecegoods, have practically nullified the effect of the object of the Cotton Industry Protection Act. It is surely an anomaly that goods containing more than 1/5 art, silk should be assessed at a lower duty than pure cotton goods. On account of the reduction of duty from 20 to 15 per cent on more than 1/5 art silk mixed goods, the latter can be sold at a cheaper rate than finer cotton goods manufactured in the country also, which is surely unfair since, obviously, all cotton piecegoods do require and are awarded protection. Art, silk thread has been cheaper in price in some instances even than finer counts bleached and mercerised cotton yarn. Mixed goods manufactured in foreign countries with cheaper art silk yarn compete very unfairly with indigenous cotton piecegoods.

My Committee, therefore, hope that this apparent anomaly will be removed as soon as possible in the interests of the indigenous cotton piecegoods.

APPENDIX 41

Drawback of Customs duty on Sugar in manufactured Confectionery

Letter No. 510 dated 6th March from Chamber to Government of India finance Department.

I am directed to invite a reference to the correspondence on the above subject ending with your letter No. D. A. Dis. 609 Cus. 28 dated the 28th May 1928. Government have already admitted that the reform urged is in consonance with the practice adopted in England and other countries, Again the very fact that the Government of India "had before them proposals to amend the Customs Law so as to allow drawbacks of duty paid on raw materials used in the manufacture of exported goods" justified the principle of this specific claim for drawback. The demand for this reform is the more insistent in view of the Budget proposal to increase the duty on sugar. If such a relief were not conceded to the Indian Confectionery, my Committee beg to urge that the same would to that extent be handicapped in competing in Foreign Markets with the confectionery imported there. My Committee are informed that Government have before them proposals to amend the Sea Customs Act with regard to various details. They would suggest that opportunity may also be taken in this connection to incorporate the above reform in the amendment which will no doubt be placed before the Legislature shortly. My Committee hope that there will be no difficulty in giving effect to their suggestions immediately.

Letter No. R. Dis 198—Cus—1/31 dated 21st April from Government of India to Chamber

With reference to the letter quoted above, I am directed to say that the Government of India are prepared in suitable cases to anticipate the proposed amendment of the Sea Customs Act in a manner which would make it possible to allow drawbacks of duty paid on raw materials used in the manufacture of exported goods. It is impossible to lay down general rules and each case

must be considered on its merits. There may, however, be peculiar difficulties in the case of sugar used in confectionery. As the Chamber are aware, a report of the Tariff Board recommending the grant of protection to the Indian Sugar Industry is now before the Government of India. Again, the fact that sugar is made in India will render necessary more stringent supervision in order to secure proper identification than may be permissible in the case of raw materials that are not made in India. The Government of India are, however, now prepared to consider applications for the concession from manufacturers of confectionery if these manufacturers will make application direct to the Central Board of Revenue stating the extent of their business and other necessary particulars which will render it possible to judge whether it is desirable and practicable to draw up rules to regulate the concession.

Letter No. 2457 dated 1st December 1931 from Chamber to Goverment to India

With reference to previous correspondence ending with your letter No. R. Dis, 198—Cus.—1/31, of the 21st April, on the subject of allowing drawback of Customs duty on sugar used in the manufacture of confectionery exported, my Committee are informed that manufacturers of confectionery from Bombay have sent in an application for refund. It is requested that Government may be pleased to expedite orders in the matter.

Letter No. D. Dis, 672—Cus. 1/31 dated 4th December 1931 from the Government of India to Manufacturers of Confectionery

With reference to the letter quoted above and the joint representation forwarded therewith on the subject of drawback of customs duty on sugar used in the manufacture of confectionery exported from India, I am directed to say that, on the information furnished, the Government of India regret that they are unable to allow the concession asked for. They observe that the export trade in confectionery is one of very small importance compared with the internal market.

APPENDIX 42

Import Duty on Silver Nitrate

Letter No. 910 dated 12th May 1931 from Chamber to Government of India, Commerce Department

The attention of my Committee has been drawn to the fact that manufacturers in the country of Silver Nitrate are being adversely affected by the recent additional import duty on Silver in the absence of a corresponding increase in the import duty on Silver Nitrate. The increase in duty on Silver has increased the cost of local manufacturers of Silver Nitrate, and to that extent placed the importing competitors at an advantage. My Committee need not here enter into the details of the cost of production and the extent to which the local manufacturer is handicapped. There are precedents when duty on finished products have been increased following an increase in duty on the component raw materials. My Committee, therefore, feel that the attention of Government need only be drawn to this aspect of the matter for the anomaly being removed by a corresponding increase in duty on Silver Nitrate. My Committee would here add incidentally that their proposal, if accepted, would bring in additional revenue to Government.

Letter No. 38-T (21) dated 6th June 1931 from the Government of India to Chamber.

With reference to your letter No. 910 dated the 12th May 1931, on the above subject, I am directed to enclose for your information, a copy of a letter No. 38-T (21), dated the 26th May 1931, addressed to the Dharamsi Morarji Chemical Company, Limited, Bombay.

Copy of letter No. 38-T (21) dated 26th May 1931 from the Assistant Secretary to the Government of India, Department of Commerce, to the Dharamsi Morarji Chemical Company, Limited, Sudama House, 31, Seprott Road, Ballard Estate, Fort, Bombay.

Subject:—Import duty on silver nitrate.

With reference to your letter No. C/293, dated the 20th March 1931, on the above subject, I am directed to say that if, as stated

by you, the manufacture of silver nitrate in India is being hampered by the fact that a higher duty is now levied on silver imported into India, it is open to you to address a representation on the subject to the Tariff Board in accordance with this Department Resolution No. 38–T (2), dated the 28th March 1925, a copy of which is enclosed.

DEPARTMENT OF COMMERCE

RESOLUTION

TARIFFS

Delhi, the 28th March 1925

No. 38.T. (*2*).—The Government of India have received a number of representations to the effect that the development of certain industries in India is hampered by the fact that the duty on the finished article is lower than the duty on the materials which have to be imported for the manufacture of that article. A list of such representations is appended to this Resolution. The represention will now be referred to the Tariff Board. It is requested to examine these representations and any others of a similar nature which may be brought to its notice and to make such recommendations, whether general or special, as it thinks fit.

2. Firms or persons interested in the above enquiry should address their representations direct to the Secretary of the Tariff Board.

APPENDIX 43

Changes in Tariff Classification

Letter No 1457 dated 12th August from the Director General of Commercial Intelligence

I enclose a statement showing certain additions and altertaions proposed in the existing tariff-valued heads. These are for consideration at the next annual revision of tariff values and I shall be much obliged if your Chamber will kindly examine them meanwhile and furnish me with its views by the 12th September next.

Statement showing additions and alterations proposed in the existing tariff-valued heads.

Statutory item No. 67

It is proposed to sub-divide the head "Coconuts, Straits, Dutch East Indies and Siam" into "husked" and fix a separate tariff value for each sub-head. It is reported that there is a considerable difference in the prices of husked and unhusked coconuts imported at Rangoon from the Straits, Dutch East Indies and Siam.

(a) It is proposed to amplify the two heads "Ammonia gas anhydrous" and "Carbonic acid gas" by the addition of the words "including compressed or liquified gas." These tow products are usally imported in a compressed state in cylinders and as such are mainly in the liquid form. The proposed amendment will make the intention quite clear.

(*b*) It is proposed to fix tariff values for the following additional articles :—

(*a*) Chlorate of potash

(*b*) Naphthalene balls

(*c*) Tartaric acid

It is proposed to amend the head "Dammer Batu" by the addition of the word "unrefined". Refined Dammer batu has a price which is very much above the tariff value.

Letter No. 1868 dated 18th September from Chamber to the Director General

I am directed to refer to your letter No. 1457-Cir., dated the 12th August, 1931, on the subject of certain changes proposed in the tariff classification, and in reply to send to you the views of my Committee as under:

Regarding the proposal to fix tariff values under statutory item, No. 88, for Chlorate of potash, Naphthalene Balls and Tartaric Acid, my Committee would like the present practice of assessing on real values to be continued. They feel that, having regard to the frequent fluctuations to which the prices

of these commodities are subject, it would be inadvisable to fix a tariff value for the whole year. They would, therefore, suggest that the present arrangement may be continued.

In connection with the proposal to amend the head, "Dammer Batu" my Committee are informed that there is no need to differentiate between refined and unrefined "Dammer Batu", as very little of the unrefined quality is imported. Moreover they fear that the proposal to treat refined and unrefined differently would lead to complications in classification, as unrefined is likely to be passed off as refined and vice-versa. It seems, therefore to them that the present practice may be continued.

With regard to the other changes communicated, they have no views to offer.

APPENDIX 44

Tariff Classification of Carnauba wax

Letter No. 6384 dated 18th July 1931 from the Director General to Chamber.

As the tariff stands at present, carnauba wax is assessable to duty on the tariff value fixed for *vegatable wax* under statutory item No. 77. It is however much costlier than the ordinary qualities of vegetable wax and its inclusion in the tariff head makes the price range too wide for a single tariff value. It is therefore proposed to exclude carnauba wax from the existing head by amending it to read "Vagetable wax other than carnauba wax". This will make carnauba wax assessable on its real value. The proposal is for consideration at the next annual revision of tariff values and I shall be much obliged if your Chamber will kindly examine it meanwhile and furnish me with its views by the end of August next.

Letter No. 1609 dated 12th August from Chamber to Director General.

I am directed to acknowledge receipt of your letter No. 6384 dated the 18th July 1931, and in reply to say that my Committee have no objection to the proposal to separate the tariff classification of carnauba wax.

APPENDIX 45

Tariff Values for Hides and Skins

Letter No. 10072 dated 29th October from the Director General of Commercial Intelligence to Chamber

In connection with the coming annual revision of the tariff values prescribed under Government of India Commerce Department Notification No. 73—T (79) dated the 13th December 1930 as amended subsequently, I write to say, for the confidential information of your Chamber that it is not proposed at present to make any change in the tariff values of raw hides and skins for export duty prescribed by the Government of India, Commerce Department Notification No. 73-T (87) dated the 15th August 1931. I enclose a statement showing the current tariff values which it is proposed to re-notify with effect from 1st January, 1932.

2. If your Chamber desire to put forward any criticisms of the proposed values, I shall be glad if you will kindly let me have them at as early a date as possible and not later than the 21st November next in any case.

Raw Hides and Skins if Exported From Any Place In British India Other Than Burma

	Tariff Values. Rs.	a.	p.	
(1) Arsenicated and air-dried hides.				
(*a*) Cows (including calf skins...				
Framed	0	6	0	Per lb.
Unframed	0	3	3	„
(*b*) Buffaloes (including calf skins)				
Framed	0	4	0	„
Unframed	0	2	3	„
(2) Dry salted hides.				
(*a*) Cows (including calf skins)...	0	4	0	„
(*b*) Buffaloes (including calf skins)	0	2	6	„

(3)	Wet salted hides.				
	(*a*) Cows (including calf skins)...	0	2	6	,,
	(*b*) Buffaloes (including calf skins)	0	2	0	,,
(4)	Goat and kid skins	1	0	0	per piece
(5)	Sheep skins	0	8	0	,,

Letter No. 2366 dated 19th November 1931 from Chamber to the Director General

I am directed to acknowledge receipt of your letter No. 10072 dated 21st October 1931, on the subject of annual revision of tariff values of Hides and Skins, and in reply to forward to you herewith the suggestion of my Committee in the matter.

My Committee have consulted the representatives of the trade, as also the Tanner's Association in the city, and they are of opinion that the values, as proposed by the Government, are rather low consideriug the present market conditions. In their opinion, the values given in the attached schedule should be substituted in place of those mentioned in your letter.

Raw Hides and Skins If Exported From Any Place In British India Other Than Burma

		Tariff Values. Rs. a. p. Per lb.
(1)	Arsenicated and air dried hides.	
	(*a*) Cows (iucluding calf skins) (Framed)	0 8 0
	(Unframed)	0 4 0
	(*b*) Buffaloes (including calf skins (Framed)	0 5 0
	(Unframed)	0 3 0
2.	Dry Salted Hides.	
	(*a*) Cows (including calf skins) ...	0 5 0
	(*b*) Buffaloes (including calf skins)	0 3 0

3. Wet Salted Hides.

(*a*) Cows (Including calfskins) ...	0	3	6	
(*b*) Buffaloes (Including calfskin)	0	2	6	
4. Goat and Kid skins	1	8	0	per piece
5. Sheep Skins	1	0	0	

APPENDIX 46

Indian Income-tax (Second) Amendment Bill

For Copy of Bill see file R. 72 of 1931 or Gazette of India D. 6th March 1931. Also refer to Assembly Debates dated 27th March 1931

Letter No. 1582 dated 5th August from Chamber to Government of Bombay, finance Department

I am directed to send hereby the views of the Committee of this Chamber in connection with the Indian Income-Tax (Second amendment) Bill, in reply to your letter of the 5th May 1931, No. 1988-F.

Under the present Act the liability to tax mainly depends on the origin of the income and the place where it is received. Income received outside British India is at present not liable to Indian Income-tax under Section 4 (2), unless the same is derived from business and is remitted to British India within three years from the end of the year in which the income is received. This induces the investment of money abroad to some extent. It is proposed, therefore, to amend the law so as to make residence the main basis of liability while still retaining the origin and remittance into British India as basis of liability in certain circumstances. The main operative section of the Bill is Clause 4, which lays down which income is liable to income-tax under this Bill. Clause 4 (1) (*b*) deals with income which accrues or arises to a person outside British India, if he is both a resident and domiciled in British India, whereas sub-clause (*c*) deals with income which accrues or arises to a person without British India, where he is merely a resident in British India but not domiciled there. This discrimination proposed between a person who is both a resident and domicile and a person who is only a

resident is, in the opinion of my Committee, extremely invidious. It will create and lay down new and different standards for people who should be liable to the same method and mode of taxation. It means that there will be a direct discouragement to people acquiring British Indian domicile and encouragement to lose it to those who have that domicile. A very considerable number of our businessemen come from the Indian States: they have always retained some connection with their place of origin and will now see the advantage of claiming their domicile or origin. It will be difficult, if not impossible, to prove that they have acquired a different domicile, and they will be at a greater advantage over others who cannot claim an outside domicile. There may be two well-established businesses in Bombay, for instance, acting in competition; but the owner of one or his forefathers came originally, say, from Cutch, and has not given up his domicile or origin or says that he has not, and the burden of taxation will be much lighter on him than on his rival. Parsis from Navasari will be differently treated from Parsis who have settled from generations in Bombay. In the same way foreign firms or individuals residing in British India and having their branches abroad will be at a greater advantage as compared with Indian firms or individuals who are domiciled in British India. My Committee beg, therefore, to suggest that the amendment should be so made as to make residence the only test of liability and that this test must be made uniform in all cases. My Committee, in short, agree with the changes proposed to be made under Section 4 in the method of assessment of foreign income, but are of opinion that the distinction between domicile and residence must be removed, and all foreign income, from whatever source derived, should be liable to income-tax assessment. My Committee also—suggest that the words "British India" used in this section should be replaced by only India, *i. e.*, the whole of the geographical India including Indian States. The object of this suggestion is that Indian States should be exempted from the operation of the new amendment so that the whole of India might be treated as against countries abroad. There are several questions with regard to the Indian States vis-a-vis British India, the solution of which will have to depend upon the conclusions of the Round Table Conference. In

view of this, my Committee would not like any discrimination made against Indian States. What is resident or temporarily resident is a question of fact at present and these words have created a large amount of litigation under the English Income-Tax Act. My Committee beg, therefore, to suggest that the question as to who should be considered a resident must be considered as a question of law, and reference should be allowed from the decision of the Commissioner to the High Courts. As the basis of taxation is changed it is proposed that section 49 of the Act which deals with double taxation will have to be amended so as to give relief in the case of Dominion Income-tax as in the case of tax paid in the United Kingdom. It may be further argued that the relief ought to extend to every foreign income-tax and to the maximum amount paid for such a tax. If the plea of the Government is that such relief cannot be given without a convention with all countries, then the Bill must stand over until such a convention is reached.

Amendment to Clause 6 of the Amending Bill appears to my Committee gravely objectionable, as it purports to exempt from income-tax salaries of Government servants who are on leave in foreign countries. My Committee cannot understand why such salaries should escape assessment and think that income-tax should be assessed on all such salaries which may be paid in this country as also those which may accrue or arise in this land. The same remark applies to interest on securities.

The attention of my Committee is drawn to cases in which parties take loan from Banks to invest in securities, income-tax being charged on interest which these securities may bring. My Committee think that it is but fair that any interest paid on the loans should be deducted from the interest realised from those securities for the purpose of income-tax, and consequential changes should be made in the Act.

With regard to assessment of income on business accruing, arising or received, it may not be found possible to comply with all the requirements of section 23 in the length of time required thereunder, as relevent books, papers and documents will have to be procured by an assessee to the place of assessment

from different and far away places. This requires time which in very many cases extends for months before a book or document can be made available. To enable, therefore, an assessee to comply with provisions of section 22 and its sub-sections and section 23, provi sion for sufficient time must be made.

My Committee would further like to point out that the promises held out by the Hon'ble Finance Member in his budget speech for 1929-30 for allowing the taxpayer to carry forward losses of the past years to subsequent year and to claim a set off of the same against his future income, as well as the super-tax on the companies (except Financing, Trust and Investment Companies) have not up to now been carried out under the plea that the finances of the country do not permit all these concessions being granted. Government are fully aware of the fact that Joint stock enterprises in India are hit hard due to economic and other circumstances, and my Committee, therefore, feel that these concessions should be given to the taxpayer as is demanded by various Chambers and Commercial Bodies, and they would, therefore, reiterate again and press strongly for an early legislation granting these concessions. This obvious anomaly under the Act must be righted as soon as possible.

APPENDIX 47

Deduction of bad debts from Income of an assessee

(Vide P. P. 397-Annual Report for 1930)

APPENDIX 48

Evasion of Income-tax

Letter No. R.B. 307/31 Dated 1st December 1931
From the Commissioner of Income-tax, Bombay to Chamber

It is probable that the Hon'ble the Finance member may visit Bombay some time in December or January next to discuss with representatives of Chamber of commerce, bankers and other persons who might be able to give useful information or advice, the above question of evasion of income-tax. In case any

reperesentatives of your Chamber are in position to give useful information or advice in the matter you will kindly let me know at your early convenience.

Letter No. 2481 dated 5th December 1931 from Chamber to the Commissioner

I have received your letter of the No. R. B. 307/31 1st December 1931. The same will be considered by my Committee at their meeting to be held on Tuesday, the 8th instant, and I will write to you further in the matter thereafter.

In the meanwhile, I shall be glad to know as to what exactly are the points to be discussed at the proposed meeting with the Hon'ble the finance member. Your early reply will oblige.

Letter No. R. B. 307 dated 5th December 1931. From the Commissioner to Chamber

I have the honour to thank you for your above reply. Perhaps you already know that in the last session of the Legislative Assmbly one member said that there was much evasion of tax by various means and that Government should take steps to stop this by stamping and sealing the account books produced, requiring accounts to be kept in particular manner etc. What the Hon'ble the Finance Member would like to know will be whether your Chamber too thinks that there is very considerable evasion of tax, if so where is it located and what will be the proper method to deal with it so that no one may evade tax and all may pay just dues of Government. What is wanted is your help and advice in the matter of dealing with evasions in cases your Chamber knows something about them and is in a position to make any useful suggestions.

Letter No. 2667 dated 29th December 1931 from Chamber to Commissioner

I beg to acknowledge the receipt of your letter of the above date and bearing the above number. My committee cannot endorse the view, that there is any evasion of income-tax, and that there is any necessity for taking any special steps in this connection. That one Member of the Legislative Assembly

observed that there was such evasion of income-tax appears to my Committee to be a very slender foundation for the view that such an evasion is practised by the commercial community. Nor can my Committee approve of the steps proposed to be taken, such as stamping and sealing the account books produced, requiring accounts to be kept in a particular manner, etc which will be merely adding to the troubles and inconveniences of businessmen with regard to the assessment of income-tax. As my Committee are of opinion that there is no evsion of income-tax, at least not on such a scale as would require any special steps or any consideration, they regret they are not in a position to send representatives to the proposed conference, with the Hon'ble the Finance Member. My Committee hope that, if any steps are proposed to be taken as a result of the forthcoming conference they will be consulted before such steps are actually taken or certain suggestions put into practice.

APPENDIX 49

Indian Income-tax Depreciation allowance for Machinery Running Overtime

Letter No. 4047 dated 29th December from Chamber to the Central Board Revenue

I am directed by the Committee of this Chamber to draw the attention of the Government of India to the fact that several mills in Ahmedabad as also in Bombay are at present working double-shift. The depreciation allowed ordinarily on machinery, etc. is 5 per cent. As working double-shift involves a greater wear and tear of the machinery, my Committee are of opinion that double the rate of depreciation should be allowed for such mills. This is not being done, however at present. My Committee request the Government of India, therefore, to be pleased to amend Rule 8 of the Income-Tax Manual to permit double depreciation allowance on machinery employed in cotton spinning and weaving factories where such factories are working double-shift, and to issue instructions to all Income Tax Officers to allow double the rate of depreciation for all the cotton spinning and weaving factories which are working double-shift at present.

Letter No. 954-I. T. /29 dated 15th May 1931 from the Central Board of Revenue to Chamber

In reply to your letter quoted above, I am directed to enclose a copy of a memorandum prepared by the Central Board of Revenue on the above subject and submitted to the Government of India, who have approved of the Board's conclusions.

MEMORANDUM

Indian Income-tax Act, (XI of 1922) Rules under Rule 8 Depreciation allowance Machinery running day and night

In August 1930, Sir Alexander Tottenham, Member of the Central Board of Revenue, had an interview with representatives of the Punjab Chamber of Commerce on the subject mentioned above. The question was discussed in general terms and Sir Alexander Tottenham undertook to examine the matter in consultation with Commissioners of Income-tax. In December 1930, the Indian Merchants' Chamber raised the same question and suggested that double the machinery rate of depreciation should be allowed for spinning and weaving mills that were working double-shift.

2. As a result of its enquiries, the Board finds many difficulties in the way of any proposal to make the rate of depreciation allowed on machinery and plant vary with the number of hours worked, either in the simple manner suggested by the Indian Merchants' Chamber or by some modification of that proposal. Authorities on the subject of depreciation are agreed that, while running hours cannot be altogether ignored, they are, generally speaking, a very unimportant factor from the point of view of wear and tear compared with the age of the machine. In "Depreciation and wasting Assets" by Leake, 4th Edition (Isaac Pitman and sons), for example, the following passage occurs:—

> "Use, therefore, or the amount of work done by the plant is not generally the dominating depreciation factor. The only exception to this rule is when the plant is of such a nature that the amount of actual wear

> caused by work done will obviously be the dominating depreciation factor, as with steel rails, which if used enough, will wear out before they rust out..... It is astonishing how rarely the rate of destruction of value, due to actual use, overtakes the rate of destruction due to constant and inevitable decay and liability to obsolescence.

As a general proposition, it may be stated that, apart from renewals of small parts, bearings and the like, a machine which runs continuously for 24 hours will possibly last as long as a machine that runs only for 12 hours a day, in that the process of starting and stopping, with their attendant heating and cooling, expansion and contraction, are more responsible than anything else for the deterioration of a machine.

3. The Board has made some enquiries as to the practice in the United Kingdom and considers that the utmost weight should be attached to the practice of the authorities in that country in view of their vast experience. The result of the Board's enquiries shows that extra depreciation for overtime running is only allowed in few very special cases, namely, match manufactories, presses that are used to print both morning and evening editions of a newspaper, and paper mills. For match manufactories, the extra allowance is 25% of the normal rate for the proportionate part of the year during which the machinery is worked both day and night, but the extra allowance does not apply to steam-raising plant. The extra allowance for printing presses is left to the discretion of the assessing officer and is in any case subject to proof that (*a*) the life of the plant has been substantially reduced, (*b*) the additional wear and tear has not been made good by extra expenditure on maintenance and renewals, and (*c*) that the actual hours of running are longer than would normally be the case if only one edition of the paper were printed. For paper mills, the normal depreciation is increased from 5% to 7½% where the mills are run day and night. It is particularly important to observe that no extra depreciation for overtime running has been allowed in the United Kingdom for the textile mills, although these are the mills in respect of which the concession has been asked for in India.

4. These are the objections, in principle, to the proposal, and it is perhaps not necessary to make an elaborate statement of the difficulties that would arise in practice, particularly in dealing with machinery that normally runs day and night, as, for instance, electrical power houses; machinery that runs in only certain seasons of the year, *e. g.* cotton ginning machinery; and machinery that is worked far less than the normal working hours. It would clearly be very difficult to fix mormal working hours for each industry and to verify the actual period during each year for which the machinery was worked at more or less than the normal number of hours per day.

5. For all these reasons, the Board is not prepared to recommend that any concession should be given for which a precedent cannot be found in the arrangements that are in force in the United Kingdom; and this would limit the concession to three industries only, each of which would have to substantiate its case in detail if it is desired to enjoy the concession.

6. In the course of the examination of this question, the Board has reconsidered the existing instructions regarding the interpretation of the term "current repairs" which is used in section 10 (2) (v) of the Indian Income-tax Act. On such reconsideration the Board holds that these instructions are appropriate to the case of buildings but are not sufficiently liberal where machinery and plant are concerned. It therefore proposes to issue fresh instructions similar to those which have been issued by the Income-tax authorities in the United Kingdom; these instructions will provide that any replacement or renewal which is not so extensive as to destroy the identity of the machine should be charged to revenue instead of being treated as capital expenditure on which depreciation is to be calculated.

Letter No. 2547 dated 11th December 1931.
From Chamber to the Central Board of Revenue.

The Committee of this Chamber had addressed a communication to the Government of India, dated 29th December 1930, No. 4047, to which they had received a reply from the Central Board of Revenue, dated 15th May 1921, enclosing a copy of a memorandum prepared by them on the above subject and

submitted to the Government of India, who approved of the Board's conclusions contained therein. My Committee have gone, in the meanwhile, into this whole question and find that there is full justification for the demand originally made by them that Rule No. 8 of the Income-tax Manual should be so amended as to permit double depreciation allowance on machinery employed in cotton spinning and weaving factories where such factories are working double shift and that Government would be pleased to issue instructions to all Income-tax Officers to allow double the rate of depreciation for all the cotton spinning and weaving factories which were working double shift at present.

The Board observe in their paragraph 2, that while running hours cannot be altogether ignored they are generally speaking a very unimportant factor from the point of view of wear and tear compared with the age of machinery and that "as a general proposition apart from renewal of small parts, bearing and the like a machine which runs continually for 24 hours will possibly last as long as a machine that runs only for 12 hours a day in that the process of starting and stopping, with their attendant heating and cooling, expansion and contraction, are more responsible than anything for the deterioration of a machine. My Committee cannot agree with this view of the Board. Double shift working of a factory does give rise to wear and tear for which due provision must be made in the depreciation allowance.

The Board in their 3rd paragraph refer to the practice prevalent in the United Kingdom and observe that the result of the Boards enquiries with regard to the United Kingdom show that extra depreciation for overtime running is only allawed in a very few special cases, *viz.* match manufactories, presses that are used to print both morning and evening editions of a newspaper and paper mills. With regard to this, my Committee addressed a letter to you on 23rd September, 1931, No. 1919, asking you to be good enough to furnish the following information :—

(*a*) Whether at any time the cotton textile mills in the United Kingdom had worked double shift, and, if so, when and for what period ?

(*b*) Whether the industry had applied for extra depreciation for overtime running, and, if so, the reasons advanced for refusing the concessions.

To these enquiries, the reply from your Board was that necessary enquiries on the points were being made and that a further communication would be addressed when the information was complete. Two months have elapsed since that time and my Committee have not yet got the required information. From what little information my Committee have got themselves they think that double depreciation is not allowed in the United Kingdom on cotton machinery for the simple reason that the cotton textile mills there have not worked double shift. In fact, such a great authority on the textile industry as Mr. Arno Pearse, General Secretary of the International Cotton Federation, observed that "England's aloofness from the double shift system had been responsible for the loss of a great deal of her trade (Economist; 27-6-31, pp. 1373)." Again at the International Cotton Congress which was held in Paris in the last week of June this year, Mr. Andre Siegfried observed that the productive capacity of the cotton industry was largely increased by improvement in machinery and work of double and treble shifts and pointed out that a large part of the cotton spinning and weaving industry had passed from Lancashire to the Far East on that account or because of working by shifts. My Committee, therefore, consider that the abstention of the United Kingdom from the double shift system provides no analogy. Circumstances of the industry in the two countries differ widely; each case, therefore, may well be judged on its own merits.

As to the difficulties apprehended in para 4 of the letter of the Board, my Committee believe that they would not be insurmountable. Such difficulties, therefore, need not act as an impediment on the progress of the industry which itself is also a gain to the Income-tax revenues of Government. It is

mentioned in para 4 of the Board's letter that "it would clearly be very difficult to fix normal working hours for each machinery and to verify the actual period during each year for which the machinery has worked at more or less than the normal number of hours per day." The normal working hours are, however fixed by Law under the Factories Act.

In para 5 of their letter, the Board are pleased to observe that they are not prepared to recommend that any concessions should be given for which a precedent could not be found in the arrangements that are in force in the United Kingdom. It is to be regretted that such a final opinion should be given by the Board, when they were not in possession of full facts, as enquiries are still being made by them with regard to the working or otherwise of the double shift system in the United Kingdom.

The Board will be interested to observe that a representative Institution like the Ahmedabad Millowners' Association has recently written to my Committee that their Committee is in accord with the views expressed by the former to the effect that double depreciation on machinery employed in cotton spinning and weaving factories working double shift should be allowed for the purpose of Income-tax. Working and management of cotton mills in Ahmedabad is known for its shrewdness and businesslike methods, and an opinion, therefore, from such an Association has got its own weight. The Bombay Millowners' Association in their representation to the Tariff Board pointed out the advantages which Japan derived from the double shift system and the Tariff Board (Cotton Textile Enquiry) arrived at the following conclusion :—

> "In comparing the relative position of the Bombay Mills and those in Japan there is, however, an important advantage derived from double shift working which cannot be overlooked.

> We would explain that our calculations have been based on double shift working giving double production. The experience of the two mills actually working double shifts in India shows that this is a legitimate assumption and that the production by night in India is not inferior to that by day."

Dr. R. K. Das, in his "Industrial Efficiency of India" has made the following observation :—

> "One of the most important means of making the best use of the capital goods especially expensive machinery is the shift system. Two shifts of 8 or even 9 hours a day have been tried with advantage in many countries and three shifts of 7 hours a day are now being tried in Russia. India with insufficient capital resources and vast man-power can ill afford not to take advantage of atleast two shift system."

My Committee will also draw the attention of the Board to the explanation of Viscount Snowden, the then Chancellor of the Exchequer, at the time of the last English budget in dealing with the increase in the standard rate of Income-tax from 4s. 6d. to 5 shillings in the pound that industry would be compensated by relief of roughly the same amount given by means of a special increase on the existing allowance for depreciation of plant and machinery.

Under all these circumstances, my Committee are of opinion that it would be to the best advantage of the cotton mill industry, if double depreciation were allowed for double shift, and they hope that the Central Board of Revenue will be pleased, after going through all the facts, to accede to their request.

APPENDIX 50.

Exemption of Investment Companies from Company Super-tax.

Copy of letter No. 1207-I. T.|25 dated the 25th May from the Central Board of Revenue to the Indian Merchants' Chamber.

"I am directed to say that the Government of India have for some time past been giving their consideration to the question whether investment companies should be relieved from paying company super-tax on so much of their income as is derived from dividends paid by another company out of profits whic have already become liable to company super-tax.

2. The following resolution was passed at the meeting of the Associated Chambers of Commerce of India and Ceylon held, on the 17th and 18th December 1928 :—

> "That this Association recommends to Government that if the imposition of super-tax on companies in India is to be continued, effect should be given to the recommendations of the Taxation Enquiry Committee, that dividends received by holding companies from companies, which have already been assessed to super-tax should not again be assessed to super-tax in the hands of the holding companies."

In the course of the discussion on this motion the Hon'ble the Finance Member stated certain difficulties in the way of the acceptance of the resolution as worded, but expressed his agreement with the view that it would be a great benefit to all concerned if the formation of genuine trust companies in India could be encouraged.

3. The Government of India have now had prepared a draft of a notification which is designed to grant the desired exemption in favour of genuine investment trusts of the kind to which

the Hon'ble Finance Member referred. An attempt has been made so to word the draft that, while exempting those organizations that serve a public purpose in that they encourage the small investor to add his funds to the capital resources of the country by affording him good management and the security resulting from the spreading of risks, the concession will not be extended to holding companies which are formed solely for the private convenience of owners of shares in companies. The reference here is not only to the "one-man concerns" which the Hon'ble the Finance Member mentioned in his speech to which reference has already been made, but also to other holding companies which are formed merely for the business convenience of the owners of the original company or companies, or to principal companies which have, for similar reasons, formed subsidiary companies. I am directed to request that the Central Board of Revenue may be favoured with the opinion of your Chamber on the question whether the notification, as drafted, would achieve the object aimed at by the Government of India, without extending the benefit of the exemption to companies which on the above statement, are not eligible for it."

NOTIFICATION. (Copy.)

"In exercise of the powers conferred by Section 60 of the Indian Income-tax Act, 1922 (XI of 1922), the Governor-General-in-Council is pleased to exempt from super-tax so much of the income of any company as is derived from dividends paid by any other company which has paid or will pay super-tax on the profits from which such dividends are distributed, if the Company receiving such dividends is a Company having for its principal business the making of investments in and regularly dealing in the shares or debentures of other Companies, or any other securities and is not a Company formed for the purpose, or otherwise transacting the business, or acquir-

ing or exercising control over any other Company or group of Companies or enabling any other persons to exercise or acquire such control

> provided that this exemption shall not apply to any Company more than 50% of the assets of which consist of shares in or debentures of any other Company, or which holds more than 50% of the shares or debentures of any other Company."

No. 1583 dated 5th August 1931.

From Chamber to Central Board of Revenue.

My Committee have now considered your communication, No. 1207-I. T./25, dated 25th May 1931, on the subject of Company super-tax on Investment Companies, and I am directed to forward to you their views as under:—

They welcome the proposal of Government to relieve Investment Companies from payment of company super-tax on so much of their income as is derived from dividends paid by another company out of profits, which have already become liable to Company super-tax. But the relief contemplated in the Notification, my Committee beg to observe, does not go far enough. In fact, by the proviso to the Notification, what is given by the right hand is taken away by the left. An Invest ment Company may have sometimes more than 50 per cent of its assets invested in shares or debentures of any other company. My Committee cannot comprehend why, for that reason, the Company should be denied the relief contemplated in the proposal.

My Committee beg, therefore, to urge that the restriction contemplated in the proviso should be done away with.

APPENDIX 51.

Liability of Dock Delivery Orders to Stamp Duty.

Letter No. 2841 dated 15th August 1931, from the Secretary, Bombay Port Trust to Chamber.

I am directed to say that according to the existing practice at this Port, bonders when taking delivery of goods from Bonded Warehouses are required to acknowledge receipt by affixing an anna stamp to the reverse of the duplicate ex bond Bill of Entry. Delivery orders in respect of cargo from transit sheds and yards, as also goods stored in the Duty Paid Warehouses, are however accepted without requiring the party taking delivery to affix an anna stamp.

The whole matter has recently been thoroughly investigated with reference to Article 28 of Schedule 1 of the Indian Stamp Act which runs as follows :—

	DESCRIPTION OF INSTRUMENT.	PROPER STAMP DUTY.
28.	DELIVERY ORDER IN RESPECT OF GOODS, that is to say, any instrument entitling any person therein named, or his assigns or the holder thereof, to the delivery of any goods lying in any dock or port, or in any warehouse in which goods are stored or deposited on rent or hire, or upon any wharf, such instrument being signed by or on behalf of the owner of such goods upon the sale or transfer of the property therein, when such goods exceed in value twenty rupees.	One Anna.

It will be seen that the above Article defines a delivery order as an instrument signed by or on behalf of the owner

upon a sale or transfer of the property. If there were no sale or transfer of the property, the delivery order would not require to be stamped, as for example in a case where the importer directs the goods to be delivered to his own muccadum or agent. In a large number of cases, however, a delivery order would be given upon a sale or transfer of the goods, say by a bank after a purchaser had accepted or paid a draft, and would therefore come within the provisions of Article 28. It will be appreciated that the Port Trust is ordinarily not in a position to know in what circumstances a delivery order has been issued.

The Port Trust Solicitor, to whom the question was referred, has expressed an opinion that there is good ground for the Port Trust *insisting upon all delivery orders* being stamped unless drawn in favour of the owner, his muccadum or agent, because unstamped delivery orders cannot be stamped after execution on payment of penalty duty as in the case of high rated instruments and they would therefore be inadmissible in evidence. Consequently the Trust, in the event of any dispute, would be unable to establish a valid discharge of its baileeship.

In view of the importance of the matter, enquiries were made from the Port Administrations at Calcutta, Karachi and Rangoon, and the legal opinion obtained by these bodies endorses the Bombay Port Trust Solicitor's view that in order to protect the Trustees' interests it is advisable to insist upon all delivery orders—other than those drawn in favour of the owner, his muccadum or agent—being stamped.

On a rough computation about 100,000 delivery orders are received annually from importers against Bills of Lading lodged in advance with the Trust in respect of import cargo, and about 60,000 delivery orders are issued by the banks and warehouses for goods stored in the warehouses. Thus the extra expense in stamping would entail upon Trade would be from Rs. 10,000/15,000 per annum.

As insistence by this Administration upon the stamping by the Trade of delivery orders as mentioned above in accordance with the provisions of the Indian Stamp Act would involve a change from established practice, I am to request that the Trustees may be favoured with a full expression of your Chamber's views on the matter.

No. 1709 dated 29th August 1931.

From Chamber to the Port Trust.

I am directed to acknowledge receipt of your letter No. 2841 of the 15th instant, and to say that the same was considered by my Committee at their last meeting.

My Committee are opposed to any change in the present practice, and are of opinion that delivery orders in respect of cargo from transit sheds and yards, as also goods stored in the duty Paid Warehouses, should be accepted as heretofore without requiring the party taking delivery to affix a one-anna stamp. Looking to the present depressed condition of the trade, my Committee venture to remark that any change, imposing an additional burden, however small, on the trade must be avoided.

As regards the technical difficulty pointed out in connection with compliance with the requirements of Article 28 of the Indian Stamp Act, my Committee trust that your Board will find out adequate ways and means of meeting the difficulty without making such delivery orders liable to stamp duty.

APPENDIX 52.

Rules regarding Refund of Town Duty.

Copy of a letter dated 19th November 1931 from Chamber to Mr. Vithaldas Kanji, representative on the Municipal Corporation.

On 5th October, 1931, Messrs. Gulabdas Gorabhai addressed a letter to the Committee inviting their attention to the

changes made in the Rules in respect of the payment of the refund of town duties by the Bombay Municipality. This matter was referred to the Transport Sub-Committee, and they submitted their Report to the Committee as per copy enclosed. You will observe therefrom that they have recommended that the representative of the Chamber on the Corporation should move in the matter with a view to getting the relevant Rules amended to their former form. The Committee at their meeting held yesterday, however, accepted their recommendations with regard to Rules 13 (1) & (2) and 19 (1), (4) & (5). They also decided that Rule 28 (3) should be before Rule 13. I am, therefore, directed to request you to move the necessary resolutions in the Corporation with a view to getting the Rules amended, as desired by the Committee.

Report of the Transport Sub-Committee re: Amendment of the Rules in respect of Refund of Town Duty by the Bombay Municipality.

A meeting of the Transport Sub-Committee was held on Saturday, the 7th November 1931 at 2-30 p. m. (S. T.), when the following members were present:—

Mr. Behram N. Karanjia (*Vice-President.*)

„ Sarabhai Prataprai.

Mr. J. K. Mehta (*Secretary.*)

The Sub-Committee considered the letter from Messrs. Gulabdas Gorabhai on the above subject. Objection was taken therein to the amendment of Rules 13 (1) and (2), 19 (1), (4) and (5), and 23 of the above Rules by the Standing Committee of the Bombay Municipal Corporation on 23rd March 1931. The Rules are reproduced under. The words underlined were

deleted by the amendments and those in brackets are the additions:—

Rule 13 (1): (On receipt of the documents the Supervisor) *The Supervisor shall compare all the documents presented to him, and IF THE PARTICULARS CONTAINED THEREIN do not correspond or the said are incomplete in any respect or contain any erasures or alterations he shall return the same to the Exporter, but if the said documents are in order,* he shall with stamps mark one copy of the export note "original" and the other "duplicate", and etc., etc.

Rule 13 (2): Any application for refund *may* (shall) be disallowed:—

(*a*) if the documents etc., etc.

(*b*) if there is any material omission, etc., etc.

Rule 19 (1): At the Town Duty Office the claim shall be registered in Form G, annexed hereto, (or in such other form as the Commissioner may from time to time prescribe), and etc., etc.

Rule 19 (4): After the amount so allowed or refused has been duly entered in the Register, Form G, a return in Form H. annexed hereto, (or in such other form as the Commissioner may from time to time prescribe) shall be forwarded etc., etc.

Rule 19 (*5*): The Import Bill, if not required at the Town Duty Office for the disposal of other claims, and the original Refund Receipt, shall (on demand) then be returned to the Exporter etc., etc.

Rule 23 (*1*): Any goods upon which Town Duty has been paid on import may, without a claim for refund in respect thereof on exportation being thereby invalidated, be repacked into other packings than the original ones and be remarked, provided that such repacking and remarking be done under the supervision of an Officer deputed . . . . . .

(*a*) in the case of goods stamped by the Municipality, by the Town Duty Officer, Municipality, and

(*b*) in the case of other goods, by the *Traffic* Manager, (Bombay) Port Trust, (Docks or Bunders) for this purpose etc., etc.

It will be observed that the Rules as amended are to the disadvantge of the commercial community. The Sub-Committee, therefore, suggest that the representative of the Chamber in the Bombay Municipal Corporation be asked to move a resolution in the Corporation, desiring the amendment of the Rules, substituting the original Rules in place of the amended ones.

APPENDIX 53.

Establishment of a Rating Tribunal.

Copy of a letter No. 1585/117 of the 2nd July 1931 from the Millowners' Association, Bombay, to the Indian Merchants' Chamber.

"I am directed by the Committee of the Millowners' Association to address you on the question of the establishment of a Rating Tribunal for Bombay. The present system of assessment, collection and disposal of complaints relating to property taxes is defective in many ways, and in the opinion of my Committee, the time has come for overhauling it.

2. By Section 140 of the Bombay Municipal Act, buildings and lands in the City are liable to three different kinds of property tax, *viz.*, water tax, halalkhore tax and general tax. These taxes are computed on the rateable value of the buildings and lands in respect of which they are to be levied. Consequently, it is necessary in the first instance to ascertain the rateable value of the buildings and lands to be assessed.

3. Section 154 of the Act states that in order to fix the rateable value of any building or land assessable to a property

tax, there shall be deducted from the amount of the annual rent for which such land or building might reasonably be expected to let from year to year, a sum equal to 10 per cent of the said annual rent, and the said deduction shall be in lieu of all allowance for repairs or any other account whatever. The value of any machinery contained or situate in or upon any building or land shall not be included in the rateable value of such building or land.

The provisions of this section render it necessary to ascertain the annual rent for which such land or building might reasonably be expected to let from year to year, and to enable the Commissioner to determine such rateable value, he may, under Section 155 of the Act, require the owner or occupier of any building or land to furnish him with information as to the dimensions of such building or land, or any portion thereof, and the rent, if any, obtained for such building or land or any portion thereof.

4. My Committee are not aware whether the Commissioner obtains any independent advice or whether he fixes the annual rent of any land or buildings, which he intends to assess, merely on the information which he calls for under Section 155 or obtained after a visit of personal inspection by the staff of the assessment department. Having decided in his mind what is the rateable value of any building or land, the Commissioner then enters particulars thereof in the Ward Assessment Book, and gives public notice of his having done so. Any person interested can then complain against the rateable value of his property, and by Section 165, the Commissioner is required to investigate and dispose of the complaint. As a matter of fact, he never does so, but deputes such investigation to the Assessor and Collector of municipal taxes, who may possibly have some experience in land values, but has absolutely no knowledge or experience of the law of rating in so far as that law is applicable to hereditaments other than inhabited houses.

If the Assessor and Collector confirms the assessment as he did in practically every case in the recent assessment appeals filed by cotton mills—the complainant can appeal to the Chief Judge of the Small Causes Court under Section 217 of the Act, provided he appeals within fifteen days after his complaint has been disposed of by the Assessor and Collector, and provided also that he has previously deposited with the Commissioner the amount of the tax for which his property has been assessed.

5. Under Section 219, the decision of the Chief Judge of the Small Causes Court upon any appeal against a rateable value is final.

6. The whole procedure is, in the opinion of my Committee, unfair to the assessee for the following reasons:—

Firstly, the method by which the Commissioner presumably arrives at the rateable values of certain classes of buildings or lands is not based on any recognised practice;

Secondly, the fact that the first appeal against the rateable value is either to the Commissioner himself or to his deputy is obviously objectionable in principle;

Thirdly, having regard to the diversity of hereditaments to be assessed, including railways, dockil, factories, mills, race-courses and other exceptional cases, rating has become a matter of extreme complexity, for the investigation of which the Chief Judge of the Small Causes Court, however eminent a lawyer he may be, has not any special technical knowledge.

7. In this connection, it may perhaps be of interest to your Committee if a passing reference was made to the provisions of the law in England, which still remains the model on which most of the statutory enactments of India have been

based. Under the Rating and Valuation Act of 1925, the rateable values are taken, for the purposes of the rates, from valuation lists, and the Act prescribes the provisions which regulate the preparation of these lists and objections and appeals relating to them. A valuation is made every five years, and it passes through three stages before it becomes operative, *viz*:—

(i) It is made by the Rating Authority for the parish, which authority is usually an expert in the rating of properties for property tax purposes;

(ii) It is revised by the Assessment Committee;

(iii) Appeals may be brought upon the decision of the Assessment Committee direct to Quarter Sessions. From Quarter Sessions, there is an appeal on a question of law to a Divisional Court (two Judges) of the King's Bench Division of the High Court of Judicature in London, thence to the Court of Appeal (three Judges) and thence again, if necessary, to the House of Lords. There are also provisions in the English Act under which the Assessment Committee can secure the assistance of an expert valuer or appoint a competent person to assist them for the valuation. It can easily be conceived that, where an hereditament of a special nature, such for instance, as a factory, dock, railway or other similar case, comes up for valuation, the Assessment Committee will naturally secure the assistance of an expert to survey and value the particular hereditament.

8. The procedure followed in England affords a striking contrast to what actually takes place in Bombay. It is not known, as stated previously, whether the Municipal Commissioner in valuing a mill, dock or railway or other similar hereditament

as to the values of which he can have no possible clue by reference to similar hereditaments in the neighbourhood as in the case of inhabited houses-employs an expert valuer to assist him or to survey and value the hereditaments in question. It will no doubt be conceded that Municipal Commissioner, in the performance of his duties under the Act, must do the best he can, but the point is that if after doing the best he can, there is a flaw in his valuation, the owner or occupier concerned should be entitled to have the valuation investigated by an authority more specially qualified to decide on the true value of the hereditament.

9. My Committee have carefully considered the question, and have come to the conclusion that a special Tribunal should be constituted to investigate and deal with such assessment appeals as have been disposed of by the Assessor and Collector of Taxes under Section 165 of the Municipal Act. At least one member of the Tribunal should be a person with a special knowledge of rating law and practice, and among the other members there should be a judicial officer of high standing. Such a Tribunal should exercise the powers at present conferred on the Chief Judge of the Small Causes Court, and in addition, enjoy some of the powers conferred on the Assessment Committees of England, especially in the matter of appointment of experts to assist them. An appeal against the decision of the Tribunal on points of law only should lie to the High Court.

It is not proposed that the special Tribunal should have anything to do with the assessment of residential properties, the present method of assessment of which may be regarded as more or less satisfactory. The special procedure suggested should apply only to hereditaments of the nature of mills, dock properties, railways, etc., where the letting value cannot be determined by the ordinary method of ascertaining.

I shall be glad if you will place this letter before your Committee and obtain their considered views on the proposal outlined therein."

Letter No. 1425 dated 16th July 1931 from Chamber to the Millowners' Association.

Your letter of the 2nd instant, No. 1535/17 was considered by the Committee of this Chamber at their last meeting. I am directed to inform you that they agree with your Association that the present procedure followed with regard to the assessment of hereditaments other than inhabited houses is faulty and that a rating Tribunal on the lines suggested by you should be established to put a stop to such a wrong procedure and to afford relief to industries which are specially concerned with these hereditaments. My Committee will be glad to support your proposal if your Association places the suggestion before the Municipal Corporation.

APPENDIX 54.

Proposed Municipal Export Cess on Cotton.

No. 2432 dated 27th November 1931 from Chamber to Government of Bombay, General Department.

I am directed to draw the attention of Government to the letter of the Committee of this Chamber, dated the 19th December 1930, No. 4001, regarding the above question. Since then the Municipal Corporation of Bombay have finally passed their proposal for levying an export duty of 4 annas per bale of cotton. This source of income was asked for by the Corporation so far back as 1911, but it was turned down by Government. It is extremely unfortunate that notwithstanding the several letters of protest which were sent last year by this Chamber and other Commercial Organisations, the Bombay Municipal Corporation persisted in their proposal and ultimately passed it recently. The draft letter from the Mayor of the Bombay Municipal Corporation to the Government of Bombay has attempted a reply to the various arguments which have been advanced against the imposition of a cess on the export of

cotton. The Commissioner of the Bombay Municipal Corporation also attempted in his speech to deal with the opposition case. My Committee are satisfied that no new and convincing arguments have been set forward to disprove the correctness of the views of the business community of the City that the Port of Bombay and the growers of cotton would be adversely affected by the proposed cess.

My Committee recognise that the new proposals for taxation are made as a result of the proposed incorporation of the Improvement Trust with the Corporation which involves an additional responsibility on the latter of finding about Rs. 28 lakhs. It, however, appears to have been overlooked during the course of the debates in the Corporation on this question of the imposition of new taxes that revenues of the Municipal Corporation are entirely dependent upon the Port of Bombay retaining and maintaining its present position. If as a result of economic forces or of any action taken by the Corporation the Port of Bombay suffers in importance or popularity, the revenues of the Corporation must also *ipso facto* suffer. It has already been seen how the imposition of a duty of Re. 1/- on every bale of cotton imported into Bombay has resulted in a good deal of the cotton trade having been deflected to Karachi, which has shown a remarkable progress as compared with the Port of Bombay. To this the Municipal Corporation have no other reply than that the advantages of getting cotton in a big market like Bombay and facilities afforded for its storage and transport are so attractive that the small charge as now proposed will not in any way lead to diversion of trade. Such general statements are of not much use or importance when confronted against solid facts and figures. These impositions cannot but have effect on the realisation from cotton which will accrue to the argiculturists. My Committee have often pointed out the repercussion of all such measures on the future of the Port of Bombay. They do not want to take up any pessimistic

position but they believe that they are justified in saying that unless Government, the Bombay Municipal Corporation and the Bombay Port Trust, the three principal agencies who are responsible for the administration of the City at present, become alive to the seriousness of the situation, a time may come when it will be too late to retrieve the lost position. Bombay is not only important as a port, but also an entrepot for trade for not only the whole of the Presidency excluding Sind but also for a large portion of Northern and Southern India. Every care has, therefore, to be taken that Bombay does not suffer through short-sighted measures of taxation which makes the City and the Port every day costlier and, therefore, less profitable for the operations of trade and industries.

Under all these circumstances, my Committee request the Government of Bombay to be pleased to reject the proposal of the Bombay Municipal Corporation for a cess on the export of cotton.

APPENDIX 55.

TRADE AND INDUSTRIAL LEGISLATION

Indian Partnership Bill.

(Note;—The Bill is not printed here but can be referred to in file R. 31 of 1931 or in the Gazette of India, January 1931.)

Letter No. 1440 dated 17th July 1930, from Chamber to the Government of Bombay, Home Department.

With reference to your letter No. 6796/2-11-B dated the 26th March 1931, I am directed by the Committee of the Chamber to send hereby their views.

My Committee are in general agreement with the provisions of the Bill. They would, however, offer the following remarks with regard to certain Sections therein:—

Sections 36 and 37 relate to the obligations and rights of an out-going partner. The word "out-going partner" is not defined,

and, in their opinion, it is necessary that an Explanation should be added to both the said Sections as follows :—

> "For the purposes of Sections 36 and 37, an out-going partner includes a retiring partner, an expelled partner, an insolvent partner or his assignee and the representatives of a deceased partner."

The most important change in the Partnership Bill relates to the registration of firms, and shortly stated the provisions relating thereto are as follows :—

The registration of a firm may be effected by signing the statement by all the partners, and verifying it in manner prescribed, giving therein the name of the firm, the principal place of business, names of branch offices, the date when each partner joined the firm, the names and permanent addresses of the partners and the duration of the firm, and sending the same to the Registrar. When any alteration is to be made in the firm's name, or in the principal place of business, or when any partner retires or goes out from the partnership, the same is to be recorded in the same statement in the Register. Any person, who signs the statement knowing it to be false, is liable to punishment for three months or fine or both. Any statement signed by any person is conclusive evidence against him of the facts stated therein.

The consequences of non-registration are as follows :—

(*a*) No person being a partner can file a suit against the firm or any person alleged to be partner therein, unless the firm is registered, and the person so suing is shown in the Register as a partner. But notwithstanding non-registration a partner may sue for dissolution of a non-registered firm or accounts.

(*b*) No suit can be filed by a firm against any third party to enforce claim arising from contract, unless the firm is registered.

It will thus be seen that the non-registration of a firm imposes upon it a disability to sue third parties to recover its claim against the latter arising out of contract.

In their opinion, having regard to the conditions prevailing in India, and to the fact that capitalists are shy to invest their monies in adventures, such a provision would be detrimental to the interests of the commercial community as a whole, and would prevent capitalists from coming forward to help small firms in their adventures. It will also be seen that a firm constituted for a single adventure is also bound to be registered; otherwise it is liable to similar consequences resulting from non-registration.

The provisions are mainly intended to protect third parties who have occasion to deal with firms, and who do not know the constitution of such firms. The framers of the Bill say in their statement of objects and reasons that the registration of firms is optional. The consequences resulting from non-registration of firms are highly detrimental to the interests of the commercial community. Instead of this they would suggest that the registration of a firm should be optional, in the sense that no disability should be imposed upon it by reason of non-registration, except the penalty imposed under Section 69 of the Bill. The third party, however, may be sufficiently protected by insisting upon any firm with whom he proposes to deal to get itself registered before any dealings are commenced with it.

The provisions of Order XXX of the Code of Civil Procedure provide that, in any suit, the plaintiff may compel the defendant to disclose the names of the partners constituting the firm at the accrual of the cause of action, and these provisions, combined with the provisions as to optional registration of the firm in manner aforesaid, would sufficiently protect the third party.

It may be pointed out that by Section 55 of the Bill, the Governor-General has got power to direct that the provisions relating to the registration of the firm shall not apply to any Province, or to any part thereof, specified in the Notification. It is also provided by Section 1 of the Bill that Clause 68 shall not come

into force for a period of one year from the date on which the Act comes into force. But it will not be possible for the Executive of Government to know the effects of the provisions of Section 68 in the different Provinces in which the same is made applicable The better course, therefore, seems to be that the registration of a firm should be made optional on the lines suggested above.

APPENDIX 56.

CITY CIVIL COURT.

Draft Bill Re:

(Note :—The Bill is not published here ; but can be referred to in file R 66 of 1931 or Bombay Gazette dated 18th June 1931.)

Letter No. 1640 dated 19th August 1931 from the Committee of the Indian Merchants' Chamber, Bombay, to the Government of Bombay, Home Department.

I am directed by the Committee of this Chamber to send their views hereby, with reference to your letter of the 16th June 1931, No. 1322/III (A).

My Committee are glad that Government have at last decided to introduce a Bill for the establishment of a City Civil Court in Bombay. My Committee addressed a letter to Government so recently as 24th March 1931, emphasising the necessity for the establishment of such a Court, and are glad that a serious attempt is now going to be made to tackle with the problem of reducing the heavy cost of litigation, and the very great delay in the disposal of law suits. It is correctly stated in the Statement of Object and Reasons, that the trial of many suits, excluded from the cognisance of the Small Cause Court by a Court of the calibre of the High Court, involved not only a waste of judicial power, but a practical denial of justice to would-be suitors who are unable to bear the relatively high cost of legal assistance in that Court.

It is argued in some quarters that the cost of the litigant in the City Civil Court will not be less than the cost in the High Court, and may be more. My Committee have examined this point care-

fully, and are of opinion that this contention is not justified by the facts as they actually are. The High Court cost will amount to Rs. 350 in an uncontested suit, while the probable City Civil Court cost, presuming that the same scale of fees, as applied to the Small Cause Court, will apply to the new Court, will be Rs. 425, including Rs. 75 being professional cost. As against this, the execution cost with regard to a decree of the High Court in an uncontested suit, not to speak of the trouble and worry involved in getting it, will be Rs. 140, while similar cost for the City Civil Court will be Rs. 25. The Sheriff's poundage cost for the High Court will be Rs. 100 which will be the cost for the City Civil Court also.

Let us next take a summary suit.' The cost for the High Court will be Rs. 200, while the City Civil Court cost will be Rs. 171. It may be mentioned that all these costs are considered on the suits being of the amount of Rs. 5,000. For a contested suit of Rs. 5,000 the minimum High Court cost will be about Rs. 1,200, while the City Civil Court cost will be about Rs. 500. It will be thus seen that the contention, that the City Civil Court cost may be higher than the cost of suits of a similar nature in the High Court, is not justified. My Committee, however, would suggest that, in order to cheapen justice still more, and to remove the very serious and justifiable complaints about the present high cost of litigation, Government might very well fix a new scale of charges for the City Civil Court, a scale which would be less than that for the Small Cause Court. It is found that Government get a revenue of about Rs. 5 lakhs from the Small Cause Court, after paying for all expenses for Judges, establishment, etc. My Committee are of opinion that it is not advisable to make any profits out of Courts of Justice. If this principle is kept in mind, there would be no cause for the apprehension, that the City Civil Court costs may be the same as, or even higher than, the present High Court costs. My Committee suggest that a scale should be fixed, under which costs should not be higher than Rs. 250 on a suit of Rs. 5,000 on a maximum.

'Commercial suits' are at present taken up within less than six months of their filing in the High Court. My Committee would

suggest that such suits should be disposed of within three months after they have become ripe for reasoning in the new City Civil Court. Similarly 'Summary suits' should not take more than 20 days, and 'Short-cause suits' not more than one month.

As regards Section 17 (2) of the City Civil Court Bill, my Committee would suggest that provision should be made for transferring to City Civil Court all suits within its jurisdiction lying on the file of the Bombay High Court on the date on which the Act comes into force, should the parties agree to such a transfer, with a provision that the winning party in the City Civil Court, whether plaintiff or defendant, should get also the costs properly and legitimately incurred on the Original side of the High Court in those suits up to the aforesaid date.

In conclusion, my Committee hope that every effort will be made to expedite the progress of the Bill which, they understand from the Press Communique issued by the Government, will have to be introduced in the Legislative Assembly.

APPENDIX 57.

LAW OF EVIDENCE.

Commercial Documents to be admitted without formal proof.

Letter No. F 1333 dated 4th December 1930 from the Federation of Indian Chambers of Commerce & Industry to Chamber.

I am directed to enclose copy of a letter addressed by the Director-General of Commercial Intelligence and Statistics, Calcutta, re-garding a schedule of commercial documents to be appended to the proposed legislation providing for their admission in evidence with-out formal proof, and to request your Committee that whatever views they may have to express on the enclosure should kindly be forwarded direct to the Director-General of Commercial Intelligence and Statistics at his Calcutta address and a copy of which should also be forwarded to this office for information.

Letter No. 11538 dated 28th November, 1930, from the Director-General of Commercial Intelligence and Statistics, Calcutta, to the Secretary, Federation of Indian Chambers of Commerce & Industry, Delhi.

"The Federation of Indian Chambers may be aware that Government of India have been contemplating legislation to enable commercial documents which are accepted as *prima facie* correct in commercial circles to be admitted in evidence without formal proof. For this purpose a schedule of such documents has to be drawn up, and suggestions on this point have been obtained from some commercial bodies, courts and local Governments. These suggestions, varied as they naturally are, have been consolidated in the form of two statements (copy enclosed), one showing the documents as to the inclusion of which there is a large measure of agreement and the other showing all other documents, *i. e.*, documents proposed for inclusion by a comparatively small number of those consulted. I now write to request that the Federation of Indian Chambers will kindly scrutinise the two statements, more especially Statement II, and favour me with their opinion as to the suitability of the various documents for inclusion in the proposed schedule. I would point out that the test to be applied is whether the documents are, in actual practice, accepted in commercial circles as *prima facie* correct. If there is any doubt as to the general recognition of a particular document as *prima facie* correct, such document should be eliminated."

STATEMENT I.

Commercial Documents as to the inclusion of which in the proposed schedule there is a large measure of Agreement.

Bills of Lading.

Lloyds Shipping Register.

Lloyds Weekly Shipping Index.

Certificates of the Manchester Ship Canal.

Official Logs kept by British or Foreign Ships.

General Average Statements.

Consular certificates in respect of goods shipped or Shut out.

Survey Certificates or Reports, Loadline certificates and Hatch and loading certificates issued by Lloyds Surveyors or other qualified and approved surveyors, by Licensed Measurers and Surveyors approved and appointed by recognised Chambers of Commerce, Trade Associations, Marine Insurance Associations, Liners Conference and similar bodies or by such bodies themselves.

Arbitration awards issued by duly constituted bodies, such as recognised Chambers of Commerce, etc. and according to the law for the time being in force.

Certificates of origin or other certificates issued by recognised Chambers of Commerce or other similar bodies.

Force Majeure Certificates issued by recognised Chambers of Commerce, Trade Association or other similar bodies.

Reports, periodicals and other authorised publications issued by recognised Chambers of Commerce, Trade Associations, Exchange Bank Associations, Stock Exchanges and other similar bodies or persons showing the market rate of goods, prices of bullion, stocks, shares and securities, rates of exchange and currency, bank rates, freight rates, and sailings and movements of vessels, exports and imports and any other matter connected with trade or transport. Also certificates relating to any of these items and issued by these bodies.

Publications issued regularly by Custom Houses, Port Trust or Steamer Companies showing the movements of vessels and certificates issued by such bodies relating to such movements.

Dock Certificates, chalans, receipts and warrants; Port Warehouse certificates and warehouse warrants issued by Port Trusts and Dock, Harbour Wharfage or similar authorities.

Insurance policies and other documents relating to marine insurance including receipts for premiums, certificates of insurance, insurance cover rates, etc.

Receipts of railway and steamer companies.

STATEMENT II.

Other commercial Documents, i. e. Commercial Documents proposed for inclusion by a comparatively small number of those consulted.

Lloyds Daily List and Shipping Gazette.

Export applications issued by Port Trusts showing the shutting out of consignments.

Export applications issued by Port Trusts and certificates or receipts issued by the official measurer of the conference Lines, by sworn or licensed measurers, or by recognised Chambers of Commerce, Trade Associations or similar bodies showing the weight and measurement of consignment.

Register of Trade Marks kept by recognised Chambers of Commerce, Trade Associations or other similar bodies, giving a record of the trade and property marks registered by such bodies in accordance with the rules and regulations prescribed for the purpose.

Certificates from recognised Chambers of Commerce, Trade Associations, or other similar bodies showing that a trade or property mark has been registered with them in accordance with the rules and regulations prescribed for the purpose.

All documents registered under the Indian Registration Act and certificates from a registrar or sub-registrar of Assurances about the registration of a document.

Certificates issued by recognised Chambers of Commerce, etc. in respect of arbitration awards made by duly constituted bodies and in accordance with the law for the time being in force.

Consular certificates or invoice.

Documents relating to quality, count of yarn, cloth, length of yarn, percentage of moisture, etc., certified by recognised Chambers of Commerce, Trade Associations or other similar bodies.

Certificates of any Port, Dock or Harbour Authorities or any other authority having control of acceptance for shipment and transport and delivery of goods in regard either to the date and time of shipment or arrival of vessels or of goods for acceptance, berth or other accommodation for vessels, or acceptance or delivery of goods or otherwise relating thereto.

Export applications issued by Port Trusts showing the dues paid.

Certificates of hoisting the surf flag issued by the Port Trusts as evidence of non-working period.

Railway Companies' or Ship Owners' certificates.

Delivery Orders.

Mates' Receipts.

Bank drafts and Bankers' letter of credit.

Bills of Exchange.

Hundis, promissory notes and cheques.

Letters of indemnity and guarantee.

Account sale of an agent.

Account books regularly kept.

Certified extracts from accounts books regularly kept and of entries, made in books, registers, etc. of public companies.

Printed copies of memorandum and articles of association of public companies or certified copies thereof.

Certified copies from any file, register or similar records of local bodies to prove the existence of such record and of original entries.

Balance sheets of limited companies and audit report.

Bankers' receipts, postal receipts and other acknowledgment receipts granted in the regular form.

Intimation by bankers about instruments having been honoured or dishonoured.

Invoice books and forms of indent.

All invoices.

Charter parties.

Tariff rates issued from time to time by public or quasi-public bodies and by recognised firms.

Commercial telegrams and rates published in the newspapers.

The execution and endorsement of a negotiable instrument made by a company registered under the Indian Companies Act.

Railway Registers, Risk Notes, Consignment Notes, Forwarding Notes, Despatch Notes, Way Bills, Luggage Receipts, Indemnity Bonds, Unloading Books, Delivery Books, and Declaration Advices, and other similar documents.

Cofee despatch notes.

Certified copies of items of correspondence betweeen a railway company and a second party in regard to any claim preferred by or against any of them.

Letters issued by railways and other public carrier of goods.

Indian Railway Conference Association general classification of goods and general rules for acceptance, carriage and delivery of goods.

Agreement between principal and agent.

Leases (pattas and qabuliats).

Register of births and deaths and certified copies thereof.

Mills specifications.

Customs passes and permit certificates.

Shipping bills for transhipment of goods.

Certificates of Head Masters of Schools with regard to entries in school registers kept in the regular course.

Masters' notices of readiness and Masters' laydays certificates.

Notices of lien and of stoppage in transit.

Storage warrants of recognised bonded warehouses.

Telegrams.

Business letters forming part of a series of correspondence.

Customs duty bills.

Notes of protest made by Notary Publics.

Letter No. 385 dated 18th February 1931 from Chamber to the Director General of Commercial Intelligence and Statistics.

With reference to the schedule of commercial documents to be appended to the proposed legislation providing for their admission in evidence without formal proof sent with your letter No. 11538 dated 28th November, 1930, to the Secretary of the Federation of Indian Chambers of Commerce and Industry, my Committee have now considered the same and have the following remarks:—

Statement I.

My Committee are in general agreement with the items mentioned in this statement.

Statement II.

(*i*) They are opposed to the inclusion of the following items in statement II—

(*a*) Account sale of an agent.

(*b*) Account books regularly kept.

(c) Certified extracts from account books regularly kept and of entries made in books, registers, etc. of public companies.

(d) Commercial telegrams and rates published in the newspapers.

(e) Letters issued by railways and other public carrier of goods.

(f) Mills specifications.

(*ii*) They have the following suggestions to make in regard to these items :—

(a) Balance sheets of limited companies and audit report (*duly certified*).

(b) Register of births and deaths and certified copies thereof (maintained by public bodies).

(*iii*) With regard to the other items on the statement they are in general agreement.

My Committee would suggest that certificates of sea worthiness should also be included in the schedule.

APPENDIX 58.

Report of the Cotton Contracts Act Committee.

Letter No. 7745–D, dated 12th January 1931 from the Government of Bombay Finance Department, to Chamber.

I am directed by the Governor-in-Council to forward herewith a copy of the Report of the Cotton Contracts Act Committee with a request to favour Government with the comments of your Chamber on the proposals contained therein at an early date.

Letter No. 630 dated 25th March 1930 from Chamber to Government of Bombay.

With reference to your letter of the 12th January 1931, No. 7745–D, I am directed to send hereby the views of the Committee of Cthis hamber.

They are in general agreement with the majority recommendations, excepting in the case of the constitution of the Board of the East India Cotton Association. They suggest that out of the six seats recommended by the majority to be elected without reservation, two should be reserved for Brokers, thus leaving four seats for the general section.

With reference to paragraph 3 of the Report that it is essential for the well-being of the cotton trade of Bombay that forward dealings in cotton should be under the control of a single body, my Committee are still considering the question and will forward their views shortly to Government.

APPENDIX 59.

Labour Legislation in the Future Constitution.

Letter dated 15th May 1931 from the Director, Indian Branch of the International Labour Office, to Chamber.

I am sending herewith a copy of an article (not printed here) on "Labour and the Round Table Conference" for the consideration of your Chamber. The article advocates that labour legislation should be treated as a 'federal' subject in the new Indian Constitution, and not merely as a 'central' subject as the last session of the Round Table Conference has apparently decided to treat it.

You will readly perceive that if Labour is treated only as a 'central' subject, there will still be the same unfair competition between British Indian and Indian States' industries as exists to-day. As the article points out, the British Indian employers' delegations to Geneva have had occasion to complain of this unfair competition from the Indian States, brought about by the lower labour standards obtaining in the States. In order that this element of unfair competition may be eliminated, it is necessary that all labour legislation which may be adopted after the new constitution comes into force should apply as much to the Indian States as to British India.

If your Chamber is disposed to accept this view, may I suggest the desirability of your representatives, both in the provincial council and the central legislature as well as at the Round Table Conference, being instructed to press this case as and when the opportunity occurs to them.

No. 1249 dated 29th June 1931 from Chamber to the Director.

With further reference to your letter No. H. 4/515 of the 15th May 1931, I am sending to you herewith a copy of the Report of the Industries and Labour Sub-Committees of the Chamber on the point raised in your letter. I may add that this Report has been approved by my Executive Committee, and a copy of the same is being forwarded to the Federation of Indian Chambers of Commerce and Industry.

Letter No. 1258 dated 30th June 1931 from Chamber to the Federation of Indian Chambers of Commerce and Industry.

Recently the Director of the Indian Branch of the International Labour Office forwarded to the Committee a copy of an article entitled "Labour and the Round Table Conference" contributed by him to the "Indian Post." A copy of the article is herewith sent. He had therein advocated the necessity for treating 'Labour Legislation" in the future constitution of the country as a Federal subject, and not as a central subject as recommended by the Round Table Conference.

My Committee considered this aspect of the question, and are in general agreement with the view put forward by the Director, that 'Labour' should be a Federal subject, as otherwise Indian States would not be under an obligation to fall in with the rest of the country in legislation relating to 'Labour'. My Committee were, however, of opinion that all Provinces should be at liberty to initiate such labour legislation as they may think necessary under local conditions.

The Director had suggested the desirability of Indian Commercial Institutions letting their Delegates to the future

session of the Round Table Conference have their views on this aspect of the question, so that the Delegates could put their point of view at the Conference. Perhaps your Committee, on a reference from Dr. Pillai, are considering this matter.

APPENDIX 60.

Section 144 of the Criminal Procedure Code—Bill to amend.

Copy of a Letter No. 8946/2-B, dated 23rd April from the Government of Bombay to Chamber.

I am directed by the Governor-in-Council to forward herewith a copy of a letter from the Government of India in the Legislative Assembly Department, No. F. 133-1/30-A, dated the 18th March 1931, and of its accompaniments and to request that you will be so good as to favour Government with the opinion of the Indian Merchants' Chamber, Bombay, on the provisions of the Bill further to amend the Code of Criminal Procedure, 1898, before the 30th June 1931.

Copy of a Letter No. F. 133/1/30—A, dated 18th March from the Government of India to Government of Bombay.

With reference to the Debates of the Legislative Assembly of the 17th February 1931, I am directed to forward herewith copies of the papers noted on the margin and to request that the Governor-in-Council will favour this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of the Honourable the Judges of the High Court and of such selected officers and other persons as the Governor-in-Council may think fit to consult on the subject.

Bill as introduced with Statement of Objects and Reasons.

2. I am also to request that the Bill and Statement may be published in the Bombay Government Gazette in English and in such other languages as the Governor-in-Council may deem proper, and that the dates of such publication may be communicated in your reply.

3. The reply to this letter should be sent in duplicate by the 31st August 1931.

A BILL.

Further to amend the Code of Criminal Procedure, 1898.

WHEREAS it is expedient to amend Chapter XI of the Code of Criminal Procedure, 1898, relating to the powers of Magistrates to issue temporary orders in urgent cases of nuisance or apprehended danger, and to provide for appeals in respect of such orders. It is hereby enacted as follows :—

V of 1898.

1. (*1*) This Act may be called the Code of Criminal Procedure (Amendment) Act, 193

Short title and extent.

(*2*) It shall extend to the whole of British India, including the Santhal Parganas.

2. In Section 144 of the Code of Criminal Procedure, 1898 :—

Amendment of Section 144 Act V of 1898.

(*1*) after Sub-section (*3*), the following Sub-section shall be inserted, namely :—

"(*3-A*) Notwithstanding anything hereinbefore contained, no order under this section shall be made by a Magistrate so as to restrict the right of any person or persons to convene, attend, or take part in any public or political meeting, association, procession, or other demonstration, unless the Magistrate finds on evidence duly recorded that such direction is necessary to prevent obstruction, annoyance, or injury to any person lawfully employed, or danger to human

life, health or safety, or a disturbance of the public tranquillity, or a riot, or an affray :—

Provided that—

(*a*) no *ex parte* order shall be passed by a Magistrate in such cases without evidence duly recorded, and

(*b*) no such order, if made *ex parte*, shall remain in force for a longer period than forty-eight hours " and

(*2*) after Sub-section (*6*) the following sub-section shall be inserted, namely :—

"(7) An appeal shall lie from an order passed under Sub-section (*6*) to the Court of Session."

Recent events connected with the use of the provisions of Section 144 of the Code of Criminal Procedure, 1898, for the purpose of imposing restrictions of all kinds on political workers and propaganda, with the object of counteracting, or suppressing political agitation, or other legitimate activity, whenever and wherever the authorities deem fit to do so, have disclosed the need for a re-definition of the law of preventive action in emergencies which was originally embodied in the section solely for the benefit of the community, and only in urgent cases of nuisance or apprehended danger.

2. Section 144 of the Code of Criminal Procedure constitutes an entire Chapter (XI) whose object is, in the words of the Code, to provide for "Temporary Orders in Urgent Cases of Nuisance or Apprehended Danger". The words of the section were, from the very nature of the entirely temporary action contemplated, made very general, and the discretion left to the Magistrates for the purpose was also correspondingly wide. But the extraordinary and indiscriminate applications of the section that have taken place in recent years on such a large scale for the purpose of suppressing political agitation, or other legitimate activity, are matters which could not have been foreseen, and constitute a misuse of the provisions of the section. In any case, the revision of the terms of the

section so as to clearly define and restrict the powers of Magistrates and to provide adequate safeguards for the protection of the rights of the public and of individuals, is clearly called for. The present Bill is intended to effect this purpose.

Clause 2 seeks to insert a Sub-section (*3 A*) of Section 144 providing that in cases where orders under the section are restrictive of the rights of free speech, association, or public meeting, the orders shall be based on evidence duly recorded, and that *ex parte* orders shall not have force for more than forty-eight hours from the passing thereof. The clause also provides that all orders made in respect of cases under Sub-section (*6*) of the section shall be appealable to the Court of Session.

No. 1347 dated 7th July 1931 from Chamber to Government of Bombay.

With reference to your letter No. 8946/2-B, dated 23rd April 1931, my Committee have now considered the Bill introduced in the Legislative Assembly by Mr. Gaya Prasad Singh to amend Section 144 of the Criminal Procedure Code. The object of the Section as the Code defines it is to provide for "temporary orders in urgent cases of nuisance or apprehended danger." My Committee are inclined to think that action in several cases under the Section has not been quite in consonance with the spirit of the object as specified in the Code and that the wide discretionary powers vested in the Magistracy under the section have been very generally used for suppressing political agitation and other legitimate activities.

The amendment aims at providing that where orders under the Section are restrictive of the rights of free speech, association, meeting, etc., such orders should only be based on evidence duly recorded and that *ex parte* orders should have no force for more than forty-eight hours. My Committee approve of the Bill and give their support to it.

APPENDIX 61.

Indian Air Force Bill.

No. 1608/27-M, dated 27th November 1931. From Government of Bombay, P. W. D. to Chamber.

I am directed by the Governor-in-Council to forward herewith a copy of the Draft Indian Air Force Bill proposed to be introduced in the Legislative Assembly at the beginning of the ordinary Delhi session of 1932 and to request that Government may be favoured by the *10th December* 1931 with any remarks you have to make regarding the provisions of the Bill as a whole, especially with reference to Clause *58* thereof.

(*Note*:—The Bill is not published here but can be referred to in file No. R. 88 of 1931).

No. 2651 dated 28th December 1931, from Chamber to Government of Bombay.

In continuation of my letter No. 2548 of the 30th November, 1931, I am directed to send to you hereby the views of my Committee on the above Bill.

Government had particularly desired the views of my Committee on Section 58 of the Bill, prescribing punishment for civil offences. Sub-clause (2) to that section lays down that the Court Martial under the Act might charge and punish any person for any civil offence, if such offence is also an Air Force Offence. My Committee feel that there is no need for such double punishment, and that in such cases the punishment inflicted by the ordinary Criminal Courts should be deemed to be sufficient. They, therefore, suggest that Sub-clause (2) be deleted.

Section 31 lays down that all Air Force Offences, such as giving any false air signal, causing the capture by the enemy of His Majesty's Air Crafts, voluntarily aiding the enemy when made a prisoner of war, etc., shall be punishable with death. My Committee feel that the maximum punishment should not be made obligatory, but that some provision, analogous to the provision in

the Indian Army Act, should be made for some less punishment. As a matter of fact, the Army Act lays down that similar offences would be punished "with death, or with such less punishment as in this Act mentioned". My Committee suggest that a similar provision be incorporated in the Bill.

They have no observations to make regarding the other portions of the Bill.

APPENDIX 62.

Indian Accountancy Board—Rules Re:

(Note :—The draft Rules are not printed here. Refer to file R. 54 of 1931.

Letter No. 2217 dated 5th November 1931 from Chamber, to the Secretary to the Government of India, Department of Commerce, New Delhi.

"I am directed by my Committee to send their views, as under, on the Draft Rules sent with the Department of Commerce Notification No. 213 (3)-T. & E. (A. B.) dated 5th September 1931.

They would like to preface their observations on the Rules with a few general remarks.

Firstly, with regard to the personnel of the Accountancy Board, in the Memorandum submitted in 1928, with Government of India, Department of Commerce, No. 13182, it was mentioned that "all members of the Board" should *in the first instance* be nominated by the Governor-General-in-Council and its function should be advisory." The Committee of the Chamber were all the while under the impression that provision would be made for an elective Board, after the term of office of the first Board. The Rules, as they have been framed, do not give any indication, whether or not the future Boards are to be elective. The Committee are strongly of opinion that appointments to the Board should not be nominated, but should be by election. They have later on, while commenting on Rule 47, suggested as to the representation that Bombay should

have on the Board, and as to the way in which the same should be effected.

Secondly, as regards the restricted certificates holders, it will be remembered that when the Bill to amend the Indian Companies Act, so as to provide for the constitution of an All India Accountancy Board, was before the Legislative Assembly last year, my Committee had suggested that the present holders of restricted certificates should be *ipso facto* placed on the Register. But the Act, as it has been passed by the Assembly, does not embody the provision. They again wish to record, in this connection, that, in their opinion all such restricted certificates holders should automatically be placed on the Register, and would again suggest that an early opportunity be taken to amend the Act accordingly.

They are, however, advised that even now Government can, if they wish, place the holders of such certificates on the Register. The Governor-General-in-Council can, before giving his assent to the Indian Companies Amendment Act, 1930, issue to all such holders of restricted certificates unrestricted certificates, and make them eligible to be enrolled on the Register automatically. Their comments on Rule 23 are subject to the above general remarks.

Thirdly, nowhere in the Rules are the functions of the Board defined. My Committee are of opinion that the same should be clearly defined, and have later on made suggestions in connection with the same.

My Committee will now proceed with their views on the Rules seriatim :—

Rule 4 (*4.*) Has been convicted by a competent court of any offence *involving moral turpitude*, which is punishable under the Indian Penal Code and is under the provisions of the Criminal Procedure Code, 1898, non-bailable; (The words underlined are the additions proposed by my Committee.)

Rule 4 (*5.*) Having previously practised as a public accountant is considered by the Governor-General-in-Council not to be a fit

and proper person to be enrolled on the Register by reason of any act of negligence, misconduct or dishonesty committed, *and proved in a competent court*, in his professional capacity. (The words underlined are the additions suggested by my Committee).

Rule 7. My Committee suggest that the following proviso be added to this Rule :—

Provided, however,

(*a*) that such applicants for enrolment have resided in India for a period of not less than five years after the age of 18;

Note:—This proviso shall not apply to Indians.

(*b*) and that such institutions and societies recognise and give the same educational facilities to Indians, as they do to their own nationals;

Provided that the recognition given in respect of the above mentioned institutions shall apply only to those members who have signed their articles before 1933.

Rule 8. The following be substituted in place of the present Rule 8 :—

"The Governor-General-in-Council shall on the recommendation of the Accountancy Board by three-fourth majority enroll applicants on the Register, not entitled to enrolment otherwise, who have already passed the G. D. A. or equivalent examinations, but who have not signed articles."

Rule 13. The certificates should be given once for all, and there is no reason why certificates should be renewed year after year.

Rule 16. Substitute the word "shall" in place of "may" in the second line.

Note :—The effect of this change is that a person whose name has been removed from the Register for arrears of subscription will automatically be placed on the list, when he pays up the arrears. The Rule, as it stands, by the word "may" affords the exercise of some discretion.

Rule 17. The fees prescribed in these Rules should be paid to the Imperial Bank at New Delhi, *or at any of the branches of the Bank.* (The words underlined are the additions proposed by my Committee.)

Rule 18. The Register shall be published annually by the Government of India, and the copies of same shall be *supplied free to Members and be* placed on sale for the public. (The words underlined are the additions suggested by my Committee.)

PART II.

Theoretical Training, Examination and Practical Training.

Rule 19. Persons wishing to qualify themselves for enrolment on the Register shall be required to pass the *intermediate* (instead of first) and final examinations prescribed, and to serve under articles, *or as a clerk,* with an approved accountant for the period and in the manner laid down in these Rules. (The words underlined are the additions of my Committee.)

Rule 23. In the proviso to Clause 23, omit the words, "and who has held such a certificate for a period of not less than 7 years."

Note:—This has the effect of making all restricted certificates holders without any stipulation as to the period of their service, eligible for the final examinations.

Rule 25. My Committee suggest that Paper III may be split into two portions one, on Costing, and the other, on Preparation and Adjustment of Accounts for Income-tax purposes, Stores and Labour Accounts and Control.

Paper VI: There appears to be some mistake in the heading, as the scope of the paper does not deal with Banking Law and Practice. Perhaps it may be called 'Mercantile Law, No. II.'

Rule 32. Provision should also be made so as to enable candidates to pass by compartments; *i. e.*, subject by subject.

Rule 34. There must be some provision for those who have appeared in the G. D. A. Examination and failed, so as to allow them to appear for two more years.

Rule 36 (1.) No person shall be eligible for inclusion in the list of approved accountants, unless he is enrolled on the Register, and has been continuously in practice as a public accountant for a period of not less than three years next before the date of his application, *or has been continuously employed for a period of not less than three years immediately before the date of his application as a salaried assistant to a practising public accountant.* (My Committee suggest that the words underlined may be omitted.)

Note:—The effect of this will be that salaried assistants of approved accounts will not be entitled to be on the list, and, therefore, not entitled to take articled clerks under Rule 38 (1).

Rule 37. This Rule, vesting in the Governor-General-in-Council the power to remove from the list of approved accountants the name of any person, who in his opinion is no longer a fit and proper person to employ articled clerks, should be deleted.

Rule 38 (1). The following proviso is suggested to this Rule:—

Provided that, in case, he is a member of any one of the institutes or societies, recognised under Rule 7, the maximum of two articled clerks will be inclusive of the articled clerks, if any, that may be employed by him with a view to qualify them for membership of the said recognised institute or society, of which the approved accountant is a member.

Rule 39 (b). Has passed the Matriculation Examination, *or the School Final Examination,* of a University, etc., etc. (The words underlined are the additions proposed by my Committee.)

Rule 42. The words, "during office hours", to be added.

Rule 43. In the event of complaint of misconduct being made against any articled clerk, the Governor-General-in-Council may, if

he is satisfied that the complaint is proved, direct the cancellation of the articles, and a person whose articles have so been cancelled shall not be retained or taken as an articled clerk by any approved accountant, *unless the Governor-General-in-Council directs otherwise.* (The words underlined are the additions proposed by my Committee.)

PART III.

The Indian Accountancy Board.

Rule 47. Looking to the Commercial importance of the Presidency, my Committee suggest that Bombay should at least have 4 representatives out of the total elected Board of 18, and that of these 4, 2 should be elected by the Indian Merchants' Chamber.

Rule 48. My Committee suggest that the Board should elect its own Chairman.

Rule 49. They suggest that the Board should appoint its own Secretary.

Rule 54. The Board should meet at least twice in a year, and not once as provided for in this Rule.

My Committee have the following suggestions to make regarding the functions of the Board:—

(Rule to be added). "Without prejudice to the scope of the functions prescribed in Clause (*e*) of Sub-section (*2A*) of Section 144 of the Indian Companies Act, 1913, the Indian Accountancy Board shall advise and assist the Governor-General-in-Council in the matter of—

(*a*) the consideration of the applications of persons wishing to be enrolled on, or restored to, the Register;

(*b*) the removal permanently or temporarily from the Register of the name of any person under Rule 14 (*I*);

(*c*) the recognition of an examination as equivalent to an examination entitling a candidate to enter upon a course

of studies at a University constituted by law in British India.

(*d*) The recognition of an institution under Rule 20(*b*) for imparting theoretical training to candidates for the First Examination;

(*e*) the constitution and procedure of the Board of Examiners;

(*f*) the consideration of the applications for admission to the Examinations;

(*g*) the removal from the list of candidates of such of them who are reported by the Board of Examiners to have resorted to unfair means during the conduct of the Examinations;

(*h*) maintaining a list of approved accountants;

(*i*) maintaining a register of articled clerks;

(*j*) the registration and cancellation of the articles of service of articled clerks;

(*k*) the investigation into a complaint or charge of negligence, misconduct or dishonesty brought against a person enrolled in the Register in his professional capacity;

(*l*) the consideration of questions affecting the administration of the accountancy profession in India, or the maintaining of the standards of qualification and conduct of persons enrolled on the Register which may be referred to the Board by the Governor-General-in-Council, or by a Local Government, or by a Local Accountancy Board, or by a public body in India, or by a requisition signed by not less than 25 persons enrolled on the Register, or which may be raised by any member of the Board of his own motion."

Rule 61. My Committee suggest that the daily fee allowed under the Rule should be reduced to Rs. 20, *viz.*, the amount allowed for the Legislative Assembly Members.

PART IV.

Local Accountancy Boards.

Rule 63. The remarks made by my Committee about an elective Board for the Indian Accountancy Board apply equally to Local Accountancy Boards. The Chairman of the Local Accountancy Board should also be elected by the Board.

Rule 75. The daily allowance should be reduced to Rs. 10, *viz.*, the amount of allowance sanctioned to Local Legislatures."

APPENDIX 63.

STORES.

Statement of Cases in which lowest Tenders were not accepted.

Letter No. 873, dated 7th May 1931 from Chamber to Government of India, Department of Industries and Labour.

My Committee have gone through the statements (not printed here) of cases in which lowest tenders were not accepted by the India Store Department, London, for the half years ending the 30th June and 31st December 1930, and I am directed to make the following general observations on the same.

My Committee find that in some cases the plea of urgency, that order was received by telegram, was put forward to justify the acceptance of tenders which were not the lowest. My Committee feel that it would be desirable to impress upon the Government Departments indenting for stores to the High Commissioner that they should not be found to be so very improvident as to have to send orders for their requirements by telegrams. They should look ahead for their requirements, and arrange for them in good time.

My Committee hope that their suggestion will receive due consideration, and that necessary instructions will be given to the Departments concerned.

APPENDIX 64.

Retrenchment in the Indian Stores Department.

Letter dated 15th June 1931 from the Stores, Printing and Stationery Sub-committee of the Retrenchment Advisory Committee to Chamber.

I am desired by the Stores, Printing and Stationery Sub-Committee of the Retrenchment Advisory Committee to ask for an expression of the views of your Chamber, etc., on the subject of the future of the Indian Stores Department.

2. The establishment of the Department, as you are aware, was a measure connected with the adoption of the policy of the Government aiming at the encouragement of the industries of the country without sacrificing economy, in view of the opinion of the Indian Industrial Commission that the most obvious and direct form of assistance which the Government of India can give to the industries of the country is by the purchase of supplies required for the public service so far as is possible in the country itself. It was held that the constitution of a fully equipped stores agency was a very important item in the policy of industrial improvement on which the Government of India were embarked.

3. The Sub-Committee would value the opinion of your Chamber, etc., as to the practical value that has attached to the operations of the Department; and as to the questions whether this organisation should be maintained more or less in its present form, or whether it could be dispensed with, or should be otherwise modified either in respect of its organisation or the scope of its functions.

4. It is requested that the reply to this letter may kindly be addressed to the Secretary to the Sub-Committee, C/o the Government of India, Department of Industries and Labour, Kennedy, House, Simla, and, if possible, that it should be despatched in time to reach this address by an early date in July 1931. If your reply is sent in type script it would be a great convenience to the Sub-

Committee if six copies of it could be furnished. Your reply will, if so marked, be treated as confidential.

No. 1426 dated 17th July from Chamber to the Sub-Committee.

I am directed to acknowledge your letter of the 16th June, which has been considered by my Committee, and to write to you as follows:—

In your letter you very rightly trace the origin of the Indian Stores Department to the opinion of the Indian Industrial Commission advocating that "the most obvious and direct form of assistance, which the Government of India can give to the industries of the country, is by the purchase of supplies required for the public service so far as is possible in the country itself." My Committee have, since its esablishment, never ceased to urge this on the Government, and this Chamber was one of those, who welcomed the establishment of the Indian Stores Department and who noticed with gratification its increasing activities. The policy, however, behind these activities, *viz.* that all purchases for Government requirements should take place in this country by tender called for in rupees for delivery in India, has not yet unfortunately been given effect to completely. If and when this policy is adopted my Committee are of opinion that the organization of the Indian Stores Department, instead of shrinking and being curtailed, might actually have to be strengthened. Another ground for wishing not to interfere with the Indian Stores Department would be that, at present Governors provinces are kept outside the scope both of Government's policy of rupee tender and of purchase in this country. It is left optional to the provinces to adopt the stores rules of the Government of India. This is a fundamental defect. My Committee have urged in the past, and will continue to urge, that this defect should be put an end to, and when this is done the nature and amount of work, which the Indian Stores Department is doing, is bound to increase. My Committee have further in the past demanded that the Stores Department, London, as an independent unit working directly under the High Commissioner, on whom indents will be sent by purchasing officers in India, should

cease to be an independent unit and should be put in direct subordination to the Indian Stores Department and should work as one of its branches merely for inspection. This change is also most desirable and would point to the need, not of curtailing the personnel in India, but of rigidly pruning the outgrowth in London.

So far as the purchase of stores by the Government of India is concerned, my Committee are of opinion that the setting up of agencies independent of the Indian Stores Department by the Army and by the Railways must lead to duplication and waste. My Committee were opposed to the institution of the Office of the Master-General of Supplies. It is one thing for the Military to have their own standards in exceptional cases, where they could not be assimilated to the standard specifications of the Indian Stores Department, but independent and separate machinery for the purchase and inspection of the same kind of goods is unnecessary and wasteful. The same remarks apply to the Railways. These are large questions of policy, but my Committee think it necessary to indicate them as, in their view as representing businessmen, two or three agencies doing the same and similar kind of work for the Government of India are most unjustifiable. My Committee are aware that there have been various conferences and negotiations in order to make larger use of the Indian Stores Department by the Army and the Railways with advantage to both sides, but the results have, so far as they are aware, not been satisfactory.

With regard to the views of my Committee on the actual personnel with reference to the actual amount of work, which they have to do, and the emoluments which they are receiving at present, my Committee would expect a careful examination of the amount of work, which each officer has to do, and the application of the same scale of cut in their salaries as comes to be fixed all round for the superior services under the Government of India. But in the absence of precise details, I am to say that no detailed suggestions could be given to you.

APPENDIX 65.

Interview with Sir Arthur Salter.

Letter dated 20th January 1931 from Government of Bombay, Finance Department, to Chamber.

I am directed to inform you that Sir Arthur Salter, in the course of his tour of India, will visit Bombay on the 28th to 30th of January. As I think your Chamber is aware Sir Arthur Salter has been requested by the Government of India to give them the benefit of his special knowledge and experience of organisations existing abroad for the study of economic questions including both the continuous *interpretation of current developments* and the consideration of *plans* designed to achieve particular purposes and to *advise them* on organisation matters in relation to the associated position in India. His engagements in other parts of the world on behalf of the League of Nations necessitate his departure from Colombo on 15th of February, and he regrets that the time which he will be able to spend in India is thus relatively short. But he wishes, as far as the time at his disposal permits, to meet and have conversations with industrial and commercial bodies or their committees. I am therefore directed to invite your Chamber to be so good as to send a small committee to meet Sir Arthur Salter.

2. In order to faciliate his enquiries, Sir Arthur Salter is anxious to focus the conversations within a framework and for this purpose the range within which he would wish to confine himself is given below. This framework extends over a wide field and Sir Arthur Salter desires to make it clear that, while each of the features indicated in it may present itself in one country or another, no one country possesses an organisation so comprehensive as to include them all. The framework is not conceived as indicating what may be desirable or possible

in this country but has been drawn up to set forth the boundaries within which Sir Arthur Salter desires to confine his conversations with those who may be good enough to assist him in the enquiries which it is necessary for him to make. This framework divides itself naturally under two main headings, (1) questions of the general purposes of the organisation contemplated and (2) questions of the type or types of actual organisations, etc., best suited to various purposes.

(1) Questions of the General purposes of the proposed organisation.

(*a*) The co-ordination of economic policy both interdepartmentally and between the Central Government and Provincial Governments.

(*b*) The improvement of the Statistical and Commercial intelligence machinery for the purpose of following the current development of events and thought, both in India and abroad, and thus of affording a basis of statistical and other facts for the examination of current practical problems.

(*c*) Research into economic questions by experts, economists as well as persons with direct business and practical experience.

(*d*) The provision of machinery to enable different sections of the public and interests concerned to express their points of view as part of the basis of the examination of any particular problem referred.

(*e*) The provision of machinery to inform public opinion and particularly interests directly concerned of the different factors involved in the various problems and also to facilitate the interchange of information and experience between people of different qualifications and in different parts of India.

(2). Questions of organisation, etc. which may arise from Consideration of (1).

(*a*) The constitution, including headquarters, times of meeting, etc., of any Central body.

(*i*) The expert and representative elements.

(*ii*) The Central and Provincial elements.

(*b*) The character of the permanent staff.

(*c*) Associated bodies in provinces and the form of their connection with the Central body.

(*d*) Powers, Procedure, Initiative, Publicity.

(*e*) The relation of the whole organisation to existing and contemplated Central and Provincial bodies and institutions, *e. g.*, the Imperial Council of Agricultural Research, the Tariff Board, the Railway Rates Advisory Committee, the Indian Central Cotton Committee, the Central Jute Committee (when formed), and the Reserve Bank (when formed).

3. I have tentatively fixed 12 noon on Thursday, 29th, for the meeting with Sir Arthur Salter in his room on the first floor of the Secretariat, and should be obliged if you will let me know if this time is convenient and the names of the gentlemen who will attend the interview.

Minutes of the Meeting with Sir Arthur Salter.

A deputation of the Committee of the Indian Merchants' Chamber, consisting of the following representatives, had an interview with Sir Arthur Salter, in the Secretariat, on Thursday the 29th January 1931, at 12 noon.

Sir Chunilal V. Mehta (*President*).

Mr. Behram N. Karanjia (*Vice-President*).

Mr. Hooseinbhoy A. Lalljee.

Mr. S. N. Pochkhanawalla.

Mr. A. D. Shroff.

Mr. J. K. Mehta (*Secretary*).

Messrs. Lalji Naranji and N. M. Muzumdar, who were nominated as representatives, were unavoidably absent from the interview.

After Sir Arthur Salter had explained the objects of his mission, Sir Chunilal Mehta observed that co-ordination and co-operation as between departments whether of the Central Government or of the Provincial Governments was now lacking and would be found under the new Constitution. The Committee of the Chamber thought that it would be wise not to do anything to have the constitution of Economic Council fixed till the new political Constitution came into being. Sir Chunilal referred to the Report of the Delegation of the Government of India to the League of Nations Sessions in 1929, as also the Report of Sir Visvesvaraya Committee, both of which were not acted upon by Government. Replying to a direct question of Sir Arthur Salter whether it would be better to begin with organising the proposed Economic Council at present leaving its constitution to be modified under the new political regime or to wait till the new political regime was initiated, Sir Chunilal said that it would be better to have the organisation of the Economic Council after the new Constitution was inaugurated. Sir Arthur Salter asked if, it would satisfy Sir Chunilal and his colleagues, a permanent Secretariat was started now, with a short tenure for officials, to enable the new regime to appoint or to continue the officials and if there were certain safeguards providing for the work being restricted only to collection of statistical data, Sir Chunilal replied that the best thing, for the present, was to have for future consideration suggestions of the Constitution of the Economic Council. To take action now would be inadvisable.

After some further discussion the interview terminated.

APPENDIX 66.

The Dictionary of the "Economic Products of India" and the "Commercial Products of India".

Note:—Refer to P. P. 541 to 552.

Annual Report of the Chamber for 1930.

APPENDIX 67.

Appointment of Indian Trade Commissioners.

(Note:—Previous Correspondence on the subject Vide P P. 488 to 490 Annual Report for 1929).

Letter No. 313 dated 11th February 1931 from Chamber to Government of India, Commerce Department.

My Committee beg to draw the attention of, the Government of India to the reply given by the Hon'ble Sir George Rainy to Pandit Thakurdas Bhargava (question No. 285) on the 22nd March 1930, when he said that the total number of Trade Commissioners provided for in the scheme was six : one each at Hamburg, Milan, New York, Alexandria, Durban and Mombasa.

In this connection the attention of my Committee has been drawn to the importance of the trade of India with France and Japan and to the necessity of having an Indian Trade Commissioner in each of these countries. The trade of India with France and Japan is as important as the trade with the United States of America and Germany, and it is, therefore, essential that there should be a Trade Commissioner in each of these countries. My Committee would, therefore, request the Government of India to add these two countries in the scheme they have adopted as soon as possible.

My Committee will be obliged if you will kindly let them know the progress of the whole scheme.

(Sd.) J. K. Mehta.

Letter No. 1527-c (35) dated 24th March 1931 from Government of India to Chamber.

I am directed to refer to your letter No. 313, dated the 11th February 1931, on the subject of the appointment of Indian Trade Commissioners in certain countries.

2. In reply I am to say that Mr. S. N. Gupta, I. C. S., lately Deputy Indian Trade Commissioner, London, has been appointed

Indian Trade Commissioner at Hamburg and assumed charge of his office on the 1st March 1931. An officer has also been selected for training for the Milan post after advertisement from applicants not in the service of Government by the Public Service Commission. The scheme has been sanctioned on an experimental basis, and after a very careful survey of the whole ground Hamburg and Milan were selected as being the best centres from which to start the organisation of a trade campaign in Northern and Southern Europe, respectively. France is included in the areas to which the activities of the Trade Commissioners at these centres will extend.

3. Further progress with the sanctioned scheme for the establishment of six posts has now to be postponed owing to the existing financial stringency, and the question of extending that scheme so as to include additional posts cannot, therefore, be considered at present.

APPENDIX 68.

Surtax on Solicitors' Fees—Compulsory Engagement of Two Counsels.

(Vide Annual Report for 1930, Page 703.)

Letter No. 324 dated 8th April 1931, from the Prothonotary and Senior Master, Bombay High Court, to Chamber.

I have the honour to acknowledge receipt of your letter No. 620 dated the 24th March 1931 on the above subject and to inform you that the matters referred to therein will be considered further on the re-opening of the Courts after the Summer Vacation.

Letter No. 1216 dated 17th December 1931, from the Prothonotary to Chamber.

I have the honour to inform you that the Honourable the Chief Justice has appointed a committee to further consider and report to the Chief Justice and Judges whether with a view to saving expense and delay in relation to litigation on the Original Side of the High

Court, any alteration should be made in the procedure or in the scale of fees on the Original Side or in matters affecting employment and fees of counsel or the costs of Attorneys.

I have to add that pending the consideration of the said report and the settlement of the new scale of fees, their Lordships have, with the approval of Government, reduced the surcharge of 33 1/3 per cent. to 25 per cent. and have amended Rule 561 of the Original Side Rules accordingly. A copy of the said amended Rule is enclosed herewith for the information of your Chamber.

THE BOMBAY GOVERNMENT GAZETTE, DEC. 10, 1931.

PART I.

By His Majesty's High Court of Judicature at Bombay.

ORIGINAL SIDE.

No. 1179.—In exercise of the powers conferred by section 107 of the Government of India Act, 1915 (5 and 6 Geo. 5, cap. 61), and with the previous approval of the Local Government, the Honourable the Chief Justice and Judges are pleased to direct that the following rule be substituted for Rule 561 at page 123 of the Rules and Forms of the Bombay High Court, Original Side, 1930:—

Addition of percentage to be made to every bill of costs.

"561. In the case of every bill of costs whether relating to contentious or non-contentious business including conveyancing and testamentary matters, whether taxed or not, and irrespective of whether it is payable between party and party, or between attorney and client or as between attorney and client or out of any fund, in respect of business done from the 1st July 1919 up to the 31st December 1931, there shall be chargeable and allowed at the end of the bill an addition of $33\frac{1}{3}$ per cent. of the total amount thereof, exclusive of all disbursements, and of 25 per cent. in respect of business

done thereafter, pending the revision of the existing tables and scales of fees chargeable by attorneys, and such additions shall be made to every bill of costs lodged for taxation in the Taxing Office or the Testamentary Registrar's Office, the allocatur of which has not, at the date when this rule comes into effect, been signed by the Taxing Master or the Prothonotary and Senior Master."

No. 2675 dated 30th December 1931 from Chamber to the Prothonotary.

I am directed to acknowledge the receipt of your letter No. 1216, dated 17th December 1931, on the above subject, and to thank Their Lordships for the interim relief afforded to the litigant public by reducing the surcharge on Solicitors' fees from 33-1-3 per cent to 25 per cent, even though the percentage of reduction is not at all satisfactory.

My Committee, however, take this opportunity to reiterate their views, which they have placed before Their Lordships on more than one occasion, that the time has arrived when the whole of the surcharge should be abolished. This surcharge was sanctioned at a time when the cost of living in the City had abnormally risen with the post-war boom, and my Committee suggest that those circumstances no longer exist. On the other hand, trade and industries are in a very depressed condition and in need of substantial relief. They, therefore, request Their Lordships to be good enough to give immediate effect to the oft-repeated application for the abolition of this surcharge.

My Committee note that the question of revising the scale of fees, etc., is being considered by a Special Committee. They would, in this connection, like to repeat the request contained in their letter of the 24th March 1931, that Their Lordships would be pleased, before fixing the revised scale as a result of the recommendations of the Special Committee, to give an opportunity to the Commercial Community to express their opinion thereon.

No. 21 dated 6th January 1932 from the Prothonotary to Chamber.

With reference to your letter No. 2675 dated the 30th December 1931 requesting that the Commercial Community may be given an opportunity to express their opinion on the recommendations of the Special Committee regarding the revised scale of fees before the same is fixed, I am directed to inform you that your request will be considered when the report of the Special Committee appointed in this behalf is laid before the Honourable the Chief Justice and Judges.

Letter No. 619 dated 24th March 1931 from Chamber to Government of Bombay, Home Department.

I am directed by the Committee of this Chamber to address the Government of Bombay with regard to the question of establishment of a City Civil Court in this City. My Committee have always felt that the costliness of legal proceedings and the inordinate delay which takes place in the disposal of suits are a great handicap in the way of business people. It was because of this that they, so far back as 1917, addressed a letter to Government. There were at the time two alternatives before Government to remedy this evil, *viz.* (1) the establishment of a City Civil Court on lines similar to the one in Madras, and (2) the extension of the powers of the Small Causes Court. My Committee approved of the second alternative and gave their reasons for doing so. Nothing, however, came out of this till 1924 when Government introduced a Bill in the Bombay Legislative Council to amend the Small Causes Court Act, 1882. Government had dropped the first alternative, *viz.* the establishment of a City Civil Court and proposed to take up the other alternative *viz.* extension of the powers of the Small Causes Court. Unfortunately, even this proposal to extend the powers of the Small Causes Court which was incorporated in the form of a Bill was not pushed further by Government on the ground that "it was generally opposed." My Committee, though they wrote to

Government, could not elicit the information as to which bodies particularly had opposed it. Since 1924, my Committee have been re-considering the question and have been strengthened in their original belief that the establishment of a City Civil Court, was the best way out of the present difficulties experienced by business-men with regard to both the costliness of the litigation and the inordinate delay in the disposal of suits. In their letter to the Prothonotary and Senior Master, H. M.'s High Court, Bombay, No. 3974, dated the 16th December 1930, my Committee emphsised this aspect of the question. In this connection, they are glad to note the views of Government as expressed in "A Note on the Co-ordination of Administration of Greater Bombay", where it is observed that the solution of the difficulty (extension of the jurisdiction of Bombay City for Police purposes) would appear to be the establishment of a City Civil Court, a demand for which, it is understood, is growing stronger and that the establishment of such a Court would relieve the High Court of a number of cases of a petty nature and allow time for the hearing of appeals, etc. My Committee are also glad to note that the Hon'ble Member in Charge of the Home Department expressed his approval of a City Civil Court in his speech on the 21st February 1930, and also recently in his speech on the 12th March 1931, in the Bombay Legislative Council. The Hon'ble the Home Member in his recent speech remarked that the proposal had come only from members of the House and that Government would like to be assured by the Mercantile Community that they wanted a City Civil Court. It must be seen from the facts given herein that the Indian Commercial Community has always favoured the idea of the establishment of a City Civil Court since 1917 and it was not because of their opposition or indifference that the idea was dropped in 1924 but because Government wanted to adopt an alternative which was almost similar to the City Civil Court proposal. Even their second proposal *viz.* extension of the powers of the Small Causes Court would have been preferable to continuing the present system and thereby penalising the business community needlessly. My Committee realise that the establish-

ment of a City Civil Court will mean some additional expenditure, but they are of opinion that whatever expenditure to be incurred on such a scheme will be amply compensated by retrenchment Government will be able to make in the number of Judges of the High Court and other matters.

Under the circumstances, my Committee beg to hope that Government will be pleased to arrange for the establishment, as soon as possible, of such a City Civil Court in the City, and thus relieve the commercial community of a good deal of their present hardship and inconvenience regarding litigation.

With reference to the scale of charges allowed to attorneys in taxation, my Committee have been representing to the High Court, not only that the 33 1/3 per cent excess which was allowed to be added on the total of attorneys' Bills as surcharge on the alleged increase of expenditure by way of rent, salaries to clerks, stationery, etc. during the war period, for which there is of course no justification now, should be abolished altogether, but that the whole scale should be reconsidered and reduced. This is due to the fact that even the old scale was framed on an extravagant footing unsuitable to a poor country like India. My Committee are informed that the scale is being revised by the High Court and will come up to Government for sanction at an early date, if it has not been sent already. I am directed by my Committee to request you therefore that the revised scale be sent to my Committee for comments and opinion before it is finally dealt with as the Commercial Community feels heavily the present exorbitant cost of litigation.

APPENDIX 69.

Municipal License for Storage of Oil-Seeds.

Letter dated 4th March 1931 from Mr. Ratilal M. Gandhi to Chamber.

I shall thank you to place the subject matter of the accompanying note before the Committee for their consideration with a view to take an early action in the matter.

Thanking you in anticipation.

NOTE.

Re: Municipal License Fees for the Storage of Oil Seeds.

The Bombay Municipal Corporation at their meeting of the 15th October 1929 have imposed a license fee at the maximum rate of Rs 50/- (fifty) per each Godown for the storage of Oilseeds, other than Cottonseeds under the discretionary powers conferred on them by the further amendment of schedule M of the City of Bombay Municipal Act (now Act X of 1928.)

Upto the year 1929, Licenses were required for the storage of Cottonseeds and for the storage of gunny bags.

Thus a trader in Oilseeds is required to take out three separate licenses for every godown that he possesses and has to pay the fees in triplicate.

This sort of tax or burden on the Oilseeds trade in Bombay is not desirable and is inopportune, especially at the present time, when the trade in the City is on the decline and is in depressed condition.

The underlying principle or the primary object of such licenses is to protect the public from the danger and serious nuisance arising from the storage in residential buildings of certain inflammable and other objectionable articles. It may be pointed out that the oilseeds cannot be classed into this category. Even the Insurance Companies are insuring Oilseeds as non-combustible and non-hazardous goods.

Under the circumstances, it is the feeling of the traders in Oilseeds that the fresh imposition of license fee is unfair and unjustifiable and an additional burden on the trade and that the new license should be abolished.

In this connection, various representations have been made to the Corporation by the Grain Merchants' Association, by the Marwari Chamber of Commerce and by the various individual

Oilseeds traders. It is understood that this matter is on the Agenda of the Corporation for reconsideration.

It is, therefore, suggested that our Chamber should address the Corporation on the lines of the above representation.

Letter No. 605 dated 20th March 1931 from Chamber to Mr. Vithaldas Kanji, representative of the Chamber on the Municipal Corporation.

I am sending to you herewith a copy of a letter from Mr. Ratilal M. Gandhi. The same was considered by the Committee at their last meeting, and it was resolved to request you to support the proposal, to abolish the system of licenses for the storage of oil-seeds, when it comes for consideration at the Corporation. You will kindly do the needful in the matter.

APPENDIX 70.

Abolition of Forecast Reports on Indigo.

Letter No. 10 Cr. dated 8th January 1931 from the Director General of Commercial Intelligence and Statistics to Chamber.

I have the honour to address you on the above subject and to say that the Royal Commission on Agriculture in India made a recommendation in the fourth sub-paragraph under para 525 (page 602) of their Report that the figures relating to the indigo crop should be omitted from the volume of "Estimates of Area and Yield of Principal Crops in India" issued by this Department, on the ground that the crop can no longer be regarded as one of the principal crops in India. As the publication referred to above is mainly a summary of the final forecasts of all the principal crops in India for which periodical forecasts are issued by this Department, the above recommendation of the Royal Commission on Agriculture means in effect the discontinuance of the forecasts on the indigo crop. I shall, therefore, be much obliged if you will kindly favour me with the views of your Chamber as to whether it would be desirable to discontinue the forecast reports on the indigo crop,

which are at present issued by this Department in October and December each year.

Letter No. 138 dated 14th January 1931 from Chamber to the Director General.

With reference to your letter No. 10 C. I. R of the 8th instant, I am directed to inform you that my Committee have no objection to the proposal to discontinue the forecast reports on indigo crop.

APPENDIX 71.

Development of the Oil Crushing Industry.

Letter No. F. 1239 dated 14th September 1931 from the Federation of Indian Chambers of Commerce and Industry to Chamber.

I am directed to enclose, for the information of your Committee, a copy of letter No. 2073—Agri. dated Simla, the 27th August, 1931, from the Secretary, Imperial Council of Agricultural Research, in connection with the development of Indian Oil-Crushing Industry and to request your Committee to furnish the Federation with such views as they may wish to offer on the agenda accompanying the said letter with particular reference to Item No. 14 thereof.

Copy of letter No. 1073-Agri. dated Simla, the 27th August, 1931, from the Secretary, Imperial Council of Agricultural Research, to the Secretary, Federation of Indian Chambers of Commerce and Industry, Madras.

"I am directed to inform you that the Imperial Council of Agricultural Research has appointed the undermentioned Committee to consider the steps to be taken to encourage and develop the Indian Oil-crushing Industry and their first meeting was held at Simla in May.

1. Diwan Bahadur Sir T. Vijayaraghavacharya, K. B. E., Vice-Chairman, Imperial Council of Agricultural Research, *Ex-officio*, Chairman.

2. The Agricultural Expert, Imperial Council of Agricultural Research.

3. Mr. S. D. Saklatvala, Tata Sons, Ltd., Bombay.

4. Mr. W. Roberts, B. Sc., Empire Cotton Growing Association, Khanewal, Punjab.

5. Mr. A. Kesava Menon, B. A., F. C. S., Oil Chemist and Soap Expert, Calicut, Madras.

6. Mr. J. A. H. Duke, Oil Expert, Cawnpore, United Provinces.

7. Mr. R. M. Gandhi, Chairman of the Seeds Traders Association, Bombay.

8. Mr. Abdulla Haroon, M. L. A., Karachi.

9. Mr. J. H. Walker, A. R. T. C., Manager of the Gaurepur Oil Mills, Bengal.

10. Sh. Mohammed Ismail of Messrs. Sh. Mohammed Ismail Maula Bux, Lyallpur.

11. Mr. M. S. A. Hydari, I. C. S., Secretary, Imperial Council of Agricultural Reseach, *Ex-Officio*, Secretary.

2. I am now to enclose a copy of the Agenda drawn up by the Committee for their next meeting to be held in Bombay in December 1931 for your information and such remarks as you may wish to offer thereon. Your remarks are particularly invited in regard to item 14 of the Agenda".

Proceedings of the First Meeting of the Indian Oil Crushing Industry Committee held at Simla on the 26th May 1931.

The following were present :—

1. Diwan Bahadur Sir T. Vijayaraghavacharya, Chairman.

2. Mr. J. A. H. Duke.

3. Mr. Ratilal Mulji Gandhi.

4. Sh. Muhammad Ismail.

5. Mr. A. Kesava Menon.

6. Mr. D. Milne.

7. Mr. W. Roberts.

8. Mr. J. H. Walker.

Mr. M. S. A. Hydari, Secretary.

II. The meeting lasted from 11 A. M. till 1-30 P. M.

III. On the basis of the previous day's proceedings the Committee approved the following Agenda regarding its future work :—

1. (*a*) Improving oil-seed crops and oil-bearing trees as regards yields, quality of products by introducing or evolving new varieties by investigations on methods of cultivation, manurial requirements of the crop, storage of seeds to be used for oil making, uses to which the oils and oilcakes may be put, etc.

(*b*) Investigating methods of utilising fibres of linseed for commercial purposes and devising other methods for enriching the agriculturists.

(*c*) Investigating the most economic means of utilising cotton seed.

(*d*) Propaganda to induce farmers to sow the best varieties and adopt the best methods of cultivation, manuring, storage and treatment of seed including cleaning and grading, etc.

2. Increasing the demand for oil cakes. Action to include :—

(*a*) Investigations into their feeding values,

(*b*) Investigation of the question whether cotton cake would be a sufficient substitute for cotton seed,

(*c*) Investigations into the feeding value of other fodders with a view to discovering their value for mixing with cake,

(*d*) Investigation into the possibility of forming Joint Stock Companies owning mills in different localities which could so organise marketing that farmers would be supplied with oil cakes at the nearest possible mill and thus save transport and overhead charges,

(*e*) Propaganda to popularise the use of cakes.

3. Cheapening or adjusting of railway and steamer rates of freight on raw and finished products so as to facilitate the distribution of finished products.

4. Helping village presses and larger scale oil-factories by :—

(*a*) advice as to improved methods of preparing and pressing seeds and refining oils for home use and export,

(*b*) advice as to the most efficient machinery,

(*c*) subsidies, loans, etc.

5. Providing facilities for refining oil.

6. Import duty on oil machinery and spare parts; cost of their inland transport, delays, breakages, etc.

7. Production of cheap containers for storage of oil and for transport.

8. (*a*) Local competition among oil presses and foreign competition as regards finished products.

(*b*) Levying a higher import duty than at present on the import of finished products used in the manufacture of soaps, paints etc., which can be replaced by vegetable oil.

9. (*a*) Standardising oils and oil cakes,

(*b*) Measures such as legislation to deal with adulteration.

10. Organisation and development of the manufacure of Soaps, candles, lubricants and edible products, etc., such as ghee and vegetabte substitutes for which there is a demand; also steps to increase the demand for edible oil.

11. Organisation of the oil-seed trade : -

(*a*) standardising qualities of seeds,

(*b*) adopting uniformity of weights and measures,

(*c*) instituting oil-seed exchanges in a number of important markets.

12. Establishment of a Bureau of Information and Statistics for oil-seeds, oils and oil products.

13. Levying an export duty on oil-seeds and oil cakes as a means of encouraging the oil industry.

14. (*a*) The establishment of a Central body on the lines of the Indian Central Cotton Committee to take up research on oil-seed crops and products, marketing problems and to deal with the matters of concern to the agriculturist, to the factory owner and to the trader.

(*b*) Question of levying a cess for the above purpose.

15. Institution of courses of training for Mistris to enable them to take proper care of oil machinery.

16. Investigating the general factors which have tended to cause failures in the oil crushing industry in India.

On several items members indicated the sources from which information could be collected and in regard to others undertook to write notes themselves. A record of these has been kept with a view to necessary action being taken in the interval till the next meeting of the Committee. It was felt that sufficient time should be allotted to collect this information and it was therefore agreed that the next meeting of the Committee should be held at Bombay in December 1931.

IV. Mr. Gandhi suggested and the Committee agreed that the Agenda should be circulated to the Associated Chambers of Commerce and the Federation of the Indian Chambers of Commerce for information and such remarks as they may wish to offer

The Committee then adjourned after expressing its thanks to Mr. Milne who, by compiling a list of suggestions from the mass of literature before the Committee, had facilitated its task of framing an Agenda.

Letter No. 2585 dated 18th December 1931, from Chamber to Federation.

With further reference to your letter of the 14th September 1931, No. F. 1239, I am directed to send to you herewith a Note prepared by my Committee containing their views on the various items on the Agenda before the Committee to consider the above question.

1. (*a*) *Improving oil-seed crops and oil-bearing trees as regards yields, quality of products by introducing or evolving new varieties by investigations on methods of cultivation, manurial requirements of the crop, storage of seeds to be used for oil making, uses to which the oils and oilcakes may be put, etc:*

(*i*) This is a very large problem and involves many years hard work in the way of research and investigation and a very large expenditure of money before any reasonable increase can be expected.

(*ii*) As regards manurial requirements of the crop, on account of the wide-spread nature of the crop, endless different kinds of soils are involved and each district will probably have to evolve its own particular type of manure.

(*iii*) The question of storage of seeds is a very important factor to the oil miller because the ultimate quality of his oils depends on the F.F.A. content in the seed. Under good storage conditions and even temperature there is far less chance of seeds becoming rancid.

(*iv*) As regards the uses of oils and oil cakes they are so numerous and so different that it is practically impossible to enumerate them except on very broad grounds, *e. g.*, oils may be

used for human consumption or for application or for machine lubrication or for the preparation of paints, varnishes, soaps, etc., or for preservation of foods of various kinds, with endless possibilities within each of these broad classifications.

(*v*) As regards oil cakes, classification is somewhat simpler. They are either used as cattle food or manure directly or in combination with other substances.

(*b*). *Investigating methods of utilising Fibres of Linseed for commercial purposes and devising other methods for enriching the agriculturists :*

In addition to investigating the fibres of linseed, it would be advisable to consider the possibility of using the numerous unused oil-seeds which are to be found in India in addition to other oil-bearing materials, such as, certain kinds of woods, roots, etc.

(*c*). *Investigating the most economic means of utilising cotton seed:*

It is astonishing that in a country like India with one of the largest cotton crops in the world, cotton seed oil is practically unknown. This is largely due to the fact that it is a difficult seed to work, without expensive preliminary machinery. Moreover people being very conservative it is likely that it will take a long time before they can be induced to use cotton seed oil or to feed their cattle with the cake in place of the seed as they do at present, which is very wasteful and unduly raises the price of the seeds, thus making it impossible to use them for crushing.

(*d*). *Propaganda to induce farmers to sow the best varieties and adopt the best methods of cultivation, manuring, storage and treatment of seed including cleaning and grading, etc.:*

Answered by (*a*) above.

2. *Increasing the demand for oil cakes. M action to include :—*

(*a*) *Investigations into their feeding values :*

These investigations have been carried out on a fairly large scale by the Government Institute of Animal Husbandry under

Mr. Warth but of course much remains to be done in that direction.

(*b*) *Investigation of the question whether cotton cake would be a sufficient substitute for cotton seed:*

&

(*c*) *Investigations into the feeding value of other fodders with a view to discovering their value for mixing with cake:*

Answered by 2 (*a*).

(*d*). *Investigation into the possibility of forming joint stock Companies owning mills in different localities which could so organise marketing that farmers would be supplied with oil cakes at the nearest possible mill and thus save transport and overhead charges:*

This could only be done where there was a chain of farmer's co-operative societies who could arrange for the finance and distribution of the kind of oil cakes approved by the farmers who would have to have some recognised standards in the matter. Moreover it could only be done by mills which were working to recognised standards. The mills should be so distributed all over the country as to cover the ground properly. This is nothing more than a counsel of perfection as things are today.

(*e*). *Propaganda to popularise the use of cakes.*

A question which should certainly be taken up by all Agricultural Departments of Government and by combines of milling interests. It is equally to the interest of the farmer, the Government and the miller to see that the oil cake is utilised in this country.

3. *Cheapening or adjusting of Railway and Steamer rates of freight on raw and finished products so as to facilitate the distribution of finished products:*

Until this is done it will be practically impossible for a large oil mill meeting anything more than a local demand, to work

successfully in India. This is a very large question and although it is very difficult to say which is the greatest of the evils which face the oil milling industry in India, the cost of freight both on raw and finished products is by no means the least of them.

4. *Helping village presses and larger scale oil factories by:*

(a) *Advice as to improved methods of preparing and pressing seeds and refining oils for home use and export :*

No amount of advice can help the village press which works in its own particular way with methods which were suitable to the conditions of mankind at the time of the birth of this industry many thousand years ago. As regards larger scale factories, theoretical advice from outsiders again is of very little value—we do not say it is of no value. Actually a sound knowledge of theory coupled with plenty of practical working experience is the major factor. The question of refining oils is entirely impossible in India today for reasons which have been explained below (Answer to No. 5.)

(b). *Advice as to the most efficient Machinery :*

Sound and disinterested advice as regards the most efficient machinery suitable to the needs of a particular district or to the financial capacity of the would-be miller would certainly be of immense help.

(c). *Subsidies, Loans, etc. :*

Subsidies, loans, etc, are, as in every other trade in India, absolutely essential and should certainly be given provided that the promoters, the management and the location are such as to justify any belief in the successful working of the mill,

5. *Providing facilities for refining oil :*

The people of India are too poor to pay even a reasonable price for crude oils and for that reason there can be no demand for a refined oil which much cost about Rs. 20/- per ton more. Moreover there are practically no refineries in this country and very few mills, other than large ones with facilities for making deodo-

rised packed products, which could afford to set up refineries. The first step that has to be taken is to make sure that pure unadulterated crude oil is made available to the general public. Then only can the question of refining oils arise seriously. Also quite apart from the fact that there is no demand for refined oils and that people cannot afford to buy them, the residue after refining must be used, if refining is to be done economically. This means that a refiner must either have a soap plant of his own or be able to well the "foots", as the residue is called, to some conveniently situated soap factory.

6. *Import Duty on Oil Machinery and Spare Parts: Cost of their Inland Transport, Delays, Breakages, etc.*

One of the major difficulties that the oil miller has to contend with in this country is the prime cost of his machinery and spare parts. It is our belief that it is practically impossible to make a large oil mill pay in this country unless it is in a position to repair its own spare parts, minor breakages, etc. As an example, it may be quoted that a certain large factory which was paying Rs. 180/- for its Quill worms now re-welds and repairs its own quill worms at about 1/4 of the cost. Factories in other countries have the great advantage of being able to get their spares done cheaply by outside firms near by. The cost of spare parts and repairs and betterments in a German factory is the equivalent of 10 or 12 annas per ton whereas in an Indian factory of corresponding size it comes to as much as Rs. 2/- per ton. Another important cause of this high cost of spare parts is that the oil mills in India are not equipped with preparatory machines for cleaning the seeds of grits, sand and such other impurities which all tend to make for wear and tear. On top of these difficulties we now have a duty of 10% on machinery. This coupled with the fact that most oil milling machinery comes from America or non-British European sources which are now so seriously affected by the disturbance in exchange values practically makes the buying of new oil machinery quite impossible for the present.

7. Production of Cheap Containers for Storage of Oil and for Transport :

During the last 15 or 20 years there has been a great change throughout the world in the containers used for the transport of oil. Formerly the wooden barrel was the only known form of transport in sizes varying from 1 ton to about 2½ cwts. Of late years, however, the steel barrel with its far less liability to leakage has completely ousted the wooden barrel. Until very recently such containers were not made at all in India but we believe that they are now available in Bombay but not in sufficient quantities to meet the enormous demand, with the result that we have to buy them at great cost if they are new or else, which is more usual in the local trade, to buy up second-hand ones which have been imported by mineral oil companies from abroad. The weight of the containers and their relatively high cost makes the container difficulty quite a major one in an oil mill. In the absence of suitable bulk containers a popular container is the 4 gallon tin which is frequently bought second hand and is often used dirty, which is another factor that contributes towards the inferiority of the crude oil available in the bazar.

8. (a) Local Competition among Oil Presses and Foreign Competition as regards Finished Products :

There are many places in India where it would be possible to set up a small oil factory to meet the local demand even today, but unfortunately the Indian has not developed the habit of trying to do business outside his own home town with the result that where there is an oil press already in existence and paying its way comfortably, instead of trying elsewhere, someone else promptly sets up another press partly in ignorance, not realising that the market can scarcely support more than one mill, and partly owing to his unwillingness to look further afield. The result is that the competition thus set up does both of them harm and may for a time benefit the local inhabitants while the rivals can afford to carry on competition. As a rule however they have to shut down, as happens in so many cases. The question of foreign competition

scarcely arises in the large majority of cases as the import of oil products other than boiled linseed, hardened vegetable products, a considerable quantity of crude cocoanut oil and a very small quantity of bottled refined oils are the only foreign products which compete as oils. Until quite recently there was practically no local product in competition with such hardened products, but now there are 3 or 4 fair-sized factories in this country which should be protected against foreign competition at any rate in the initial stage of their existence. The boiled linseed oil and paint industries also should be encouraged in various ways.

(*b*) *Levying a higher import duty than at present on the import of finished products used in the manufacture of Soaps, Paints, etc., which can be replaced by Vegetable Oil.*

Levying a higher import duty on products mentioned above as well as on fats imported for manufacture of soaps and on pigments which can be replaced in this country by local materials should certainly help to improve matters for the industry.

9. (*a*) *Standardising Oils and Oil Cakes :*

The question of standardising oils and oil cakes can only arise after suitable centralised markets have been established but it certainly would be a very desirable thing to do.

(*b*) *Measures such as Legislation to deal with Adulteration :*

Legislation to prevent adulteration of oils is absolutely imperative if the industry is to be saved. The constant fluctuation in the prices of oil coupled with the ease with which adulteration can be carried on afford a temptation to the bazar dealer, and very often to the small miller, which they find extremely difficult to resist.

10. *Organisation and development of the manufacture of Soaps, Candles, and Edible Products, etc., such as Ghee and Vegetable substitutes for which there is a demand; also steps to increase the demand for Edible Oils :*

The answer to this question is really a reference to the law of supply and demand. If there is a suitable demand for such products

and if it is possible to make them economically in this country no active steps need be taken to organise and develop them but they would certainly have to be protected in the initial stages. For example, the recent demand for Indian soaps has brought into being a very considerable supply. Unfortunately they are not all of good quality but the cause for that again must be looked for at the door of the demand because there is no discrimination on the part of the users which is partly due to poverty and partly to ignorance. Here is a very good case for legislation. We believe that in no advanced country in the world is soap below a certain standard allowed to be sold, whereas in India it is possible to get soap which is practically no soap at all and which would not be equal in quality to 33% of the minimum specification in other countries. This applies equally to imported soaps, which we believe are specially prepared for export.

As regards increasing the demand for edible oils, we believe that the demand for edible oils in India, barring perhaps China, is already larger than any where else in the world and that if the industry was protected against adulteration the necessity of taking steps to increase the demand for edible oil would not arise at all.

11. *Organisation of the Oil-seed Trade:*

The oil seed trade is so large and so diffused that the question of organising it centrally seems to be almost impracticable. Certain producing and shipping centres however could be turned into organised markets comparatively easily and undoubtedly some attempts should be made to create such markets.

(*a*) *Standardising Qualities of Seeds:*

As regards standardising the qualities of seeds, if this is reasonably practicable, it would certainly be of great help to millers and merchants and this can only be done if there are organised markets which can safeguard and control such standards.

(*b*) *Adopting Uniformity of Weights and Measures:*

Uniformity of weights and measures is a most essential factor. As things are today in India, you may find that within 10 or 15 miles of each other, 2 towns are observing entirely different weights. A seer in one place may mean ¾ lbs., in another 1½ lbs., and in another 2 lbs. This makes business in general very difficult. It would be much better if some definite standard of weights and measures for oil-seeds all over India were adopted. The best thing would be to adopt the metric system. A Government Committee made a report on this matter some years ago but no action was taken on the report. This report may be called for.

(*c*) *Instituting Oil-seed Exchanges in a Number of Important Markets:*

Would follow as a corollary of the establishment of organised markets as above.

12. *Establishment of a Bureau of Information and Statistics for Oil-seeds, Oils and Oil Products:*

In view of the great importance of the oil-seed industry which has been very well shown in the excellent pamphlet prepared by Mr. Maganlal H. Gandhi for the Seed Traders' Association of Bombay it is obviously important that some bureau of information and statistics which can provide up-to-date information to the different classes of people concerned should be established as early as possible. The cost of such a bureau would be a difficulty in the present straitened circumstances of governments, both central and provincial, in this country, but the large numbers of oil mills, soap factories and similar concerns in this country as well as various associations dealing in oil products would probably be willing to subsidise such a bureau. The subsidy may be collected in the form of a cess.

13. *Levying an Export Duty on Oil-seeds and Oil Cakes as a means of encouraging the Oil Industry:*

The question of levying an export duty is difficult. Where we have a monopoly of certain valuable commodities from which

we know that expensive finished products are made at a considerable profit in other parts of the world it would *prima facie* appear desirable to prevent the export of such products in a raw state. This would however only apply in a case where there is a sufficiently well established industry manufacturing such finished products or where there is an early possibility of the establishment of such an industry. We doubt whether that condition has at present arisen in India. It is certainly desirable that as soon as such industries can be started some kind of export duties should be levied by way of assistance to them or it may even be possible for the State to start such industries, *e. g.*, as in the case of castor seed, which is a very valuable monopoly for this country and of which no advantage has yet been taken. Early steps should be taken to establish a castor oil industry making high grade lubricants in this country.

14. (*a*) *The Establishment of a Central body on the lines of the Indian Central Cotton Committee to take up Research on Oil-seed Crops and Products, Marketing Problems and to deal with the matters of concern to the Agriculturist, to the Factory Owner and to the Trader:*

We are not in a position to say whether the establishment of a Central body on the lines of the Indian Central Cotton Committee would serve a useful purpose. The lines of research involved in the seed trade would be so numerous and so diverse that the organisation would have to be infinitely larger than is necessary for cotton. In the absence of any great centre of the industry, such as Bombay is for the cotton industry, the work of any central committee on the marketing and factory side would be so diffuse that we doubt whether it would be possible to draw sound conclusions. We think it would be better at first if a committee were established to work on the lines of the Indian Central Cotton Committee for one or two of the major seed crops, *e. g.*, groundnuts. If the working of the Committee is found to be a success, they might gradually take up the question of other seed crops.

(*b*) *Question of levying a Cess for the above purpose:*

It is not quite clear how it is proposed to levy the cess in question but here again as in the case of the organisations mentioned in Section 11 above, the millers, traders and agriculturists concerned would probably be willing to make some contribution.

15. *Institution of Courses of Training for Mistris to enable them to take proper care of Oil Machinery:*

In these days of efficiency and widespread secondary education it would be desirable to train educated young men in the use of the proper care of oil machinery. The low standard of education of the average present day mistri and the consequent lack of reasoning power and sense of responsibility, is one of the drawbacks of industrial institutions in this country. A course of training, outside properly established factories, of people of comparatively poor education would be of very little use. Oil milling, as regards its subordinate workers, is not particularly skilled job, but from the foreman upwards the work can only be learnt thoroughly by a man with a good theoretical training in a properly organised mill. The main essential is a good knowledge of machinery in general which cannot be acquired in a short course in an institution specially established for the purpose of training people in the proper care of oil machinery only. We think it would be better if arrangements were made with existing colleges of engineering to have an oil milling section in addition to the general mechanical training which they give to their pupils, if really useful men are to be trained in this country.

16. *Investigating the General Factors which have tended to cause failure in the Oil Crushing Industry in India:*

The general factors which have tended to cause failures in the oil crushing industries in India are broadly:

1. Prime cost of machinery and spare parts.

2. Lack of organised markets.

3. Inefficient management.

4. Heavy freight on raw materials in small quantities, in comparison with the advantageous freights given to exporters who ship on a very large scale which amounts to an indirect bonus to the foreign crusher, and on finished products.

5. Cost of containers.

6. Absence of legislation against adulteration.

To the replies given on the questionnaire of the Oil Inquiry Committee we are now submitting a supplementary note on the following three important points that are raised in the questionnaire :—

(1) Increase of import duty on finished products.

(2) Central buying of oil-seeds by large foreign corporations.

(3) Early establishment of castor oil industry in India.

1. Increase of import duty on finished products.

The import duty on finished products like soap, boiled linseed oil, vegetable products, etc., is at present temporarily at 25% but it usually stands at 15%. This duty is inadequate for the development of the oil and its allied industries and it should be stressed before the Committee that it is necessary for India in its present industrial condition to have tariff duties that would protect the nascent industries of the country. The present duties for instance on soap and vegetable product are in our opinion quite inadequate as both these products can be manufactured in the country without much difficulty from the raw materials abundantly available in the country and the necessary skill for manufacturing which is being rapidly developed in the country.

Soap.—India imports every year very nearly 20,000 tons of soap all of which can easily be made here from the vegetable oils

that are available in the country. The majority of the soap factories that exist in India use however imported mutton tallow as their chief raw material as it comes slightly cheaper than the vegetable oils by being allowed to be imported free of duty. If a suitable import duty is levied on tallow the soap factories in India would turn their attention to the vegetable oils, the consumption of which would open a new source of supply for the oil industry. The soap industry in India can be rapidly developed but its progress has always been checked by the foreign manufacturers by reducing their prices to a level at which it would be almost impossible for Indian manufacturers to make and sell good soap. Recently with the increase in the number of factories in India this tendency on the part of foreign manufacturers is distinctly noticeable inasmuch as the prices of some of their soaps have been reduced to 50%. The present duty of 15 or 25% is therefore quite an inadequate protection for the Indian soap industry and some steps on the following lines will help the oil industry as well as protect the soap manufacturers:—

(*i*) To levy duty on the import of tallow.

(*ii*) To put a heavy duty on the import of soap so that it becomes impossible for the foreign manufacturers to continue their policy of under-cutting the prices.

(*iii*) To legislate on the lines existing in European countries prohibiting soap below a certain specification from being imported or manufactured in the country.

By the imposition of such a legislation a check would be immediately placed on the imports of soap as a majority of foreign soap is of an inferior quality and would fall below the specification. The development of the soap industry would also lead to the development of manufacture of a bye-product like Glycerine which is not feasible of being economically produced today in the absence of large soap factories in India.

Linseed Oil.—We are on an average exporting annually 142,000 tons of linseeds and importing 940 tons of boiled linseed oil. This oil can be easily manufactured in the country from our

own linseeds as it does not require any specialised method of manufacture. Here again, if a protective tariff was put on the imports of boiled linseed oil it will give a direct impetus to the manufactures of raw linseed oil to increase their crushing and turn some of their crude oil into a finished product.

Cocoanut Oil.—India is a very big consumer of cocoanut oil and in addition to the large quantity of cocoanut oil that is being manufactured in India it imports a fair amount from Ceylon. This import can however be checked if the Indian manufacturers can obtain their supply of copra from abroad without any import duty which is levied today on a prohibitive scale.

Vegetable Product.—The figures of imports of hardened vegetable products during the last three years are as follows:—

	Quantity Tons.	Value Rs.
1928–29	229,000	1,77,00,000
1929–30	160,000	1,20,00,000
1930–31	148,000	1,09,00,000

This product can be easily manufactured in the country from the vegetable oils that are available here. In fact the majority of the imported vegetable products are made to a large extent from the oils of the oil seeds that are exported from India. During the last year or two, factories are growing up in all parts of the country for the manufacture of this product and it is necessary that this new industry should be immediately protected if it is to be successful. The present duty is inadequate for the purpose of fostering the industry and we would recommend any increase even to the extent of a total prohibition. This product can be manufactured here equal in quality and cheaper than the imported stuff and in sufficient quantities to meet the demand in India.

If, therefore, sufficient protection is given to these 3 industries mentioned above, *viz.*, soap, linseed oil and vegetable product, a check would be placed on their imports which are draining the country to the extent of nearly Rs. $3\frac{1}{2}$ crores and the Indian Oil Industry would find new sources of supply for its oils.

2. *Central buying of Oil-seeds by large foreign Corporation.*— 75% of our export of groundnuts to Europe is taken up by the margarine manufacturers there who have a highly centralised control with regard to the direction of their policy. The Indian export trade in groundnuts is in the hands of the large European houses who buy in bulk either directly or indirectly for the foreign manufacturers. This bulk purchasing entitles the exporters to maximum benefits which in turn make it possible for the foreign corporations to buy their requirements cheaper than the Indian consumers. The railway freights on oil seeds are usually so arranged that it is cheaper to send them to ports for export than to inland places. For example the freight on groundnuts from a centre like Pollachi to a port like Madras, which is at a distance of 328 miles is 0·36 pies per maund per mile which works out to a little over Rs. 17/- per ton, whilst freight from Pollachi to a place like Ernakulam which is at a distance of only 147 miles is 0·72 pies per maund per mile which is equivalent to Rs. 15/- per ton. It will therefore be seen that an inland buyer of groundnuts who is, say about 300 miles, from Pollachi would have to pay twice the freight that an exporter in Madras would pay. In addition to this the Railway companies in the South give bulk exporters a rebate by charging a special flat rate if they undertake to transport by their lines in the course of one year specified minimum quantities of groundnuts. We do not possess recent figures of this rate but about eight years ago the following flat rates were in existence:—

0·42 pies per maund on the despatch of 10,000 to 20,000 tons per year.

0·38 pies „ „ „ 20,000 to 30,000 tons per year.
0·27 pies „ „ „ 30,000 tons and over.

Therefore by purchasing in bulk the foreign exporters and manufacturers are not only in a position to dictate their prices but receive the combined benefits of a low port freight and a substantial rebate which are lost to the Indian oil millers, as, according to our information, there are no oil mills in India crushing today as much as 10,000 tons of groundnuts a year.

3. Early Establishment of Castor Oil Industry.—On this subject it is important for us to note that India is meeting nearly 90% of the world demand for castor seeds and exports practically 95% of the castor seeds grown in the country. It is therefore of the utmost importance to the country that steps should be taken for the early establishment of a castor oil industry in India. We would even go to the extent of suggesting a duty on the export of castor seeds in view of our monopolistic position provided that the present castor seed crushing mills are in a position to take up a reasonable percentage of the crop or of starting new industries capable of using the castor oil, for instance, for making lubricating oils. We would also suggest that the railway freight on castor seeds to ports should be increased as a further step for encouraging the consumption of seeds in the areas where they are grown. In order that the Committee may not be under any misapprehension as to the importance of developing the castor oil industry it may be noted that we export annually 120,000 tons of seeds and about 2,000 tons of oil. Our export of oil is therefore negligible as compared to that of the seeds which would yield about 48,000 tons of oil. If the castor oil industry can be established in this country we would become exporters of oil instead of the seeds and at the same time keep within the country a large bulk of the castor cake which is at present lost to the country as a valuable manure.

APPENDIX 72.

Alembic Chemical Works and Supply of Medicinal Prepartions to Hospitals etc.

Letter No. 2598 dated 19th December from Chamber to the Government of Central Provinces, Department of Medical Administration and Public Health.

The attention of the Committee of this Chamber has been drawn by the Alembic Chemical Works Company, a member of this Chamber, to the non-inclusion of their name in the list of firms approved for the supply of tinctures and other spirituous preparations to charitable institutions in the Central Provinces. This Company

is one of the few companies working in this Presidency in this particular line and is well-known for its medicinal and spirituous preparations. They are established since the last 22 years and are the pioneer distillers of rectified spirit, absolute alcohol, Eau-de-Cologne, etc. Their distillery in Baroda is equipped with stills of modern type and their rectified spirit is considered equal to the spirit of British manufacture. Their preparations have been received very well by the Medical Analysers to the Governments of Bombay and Bengal. They are supplying these preparations to several institutions here and, as far as the information of my Committee goes, they are received with satisfaction. My Committee cannot consider any reason why their name should not be included in the list of firms who are entitled to supply these preparations to hospitals and other institutions in your Province, and they, therefore, beg to request that the Alembic Chemical Works Company will be included in this list.

Letter No. 129 dated 6th January 1932 from Government of C. P. to Chamber.

I am directed by the Government of the Central Provinces (Ministry of Medical Administration and Public Health) to refer to your letter No. 2598, dated the 19th December 1931, on the subject noted above and in reply to say that this Government has fully considered the matter and is not prepared to reconsider its decision.

APPENDIX 73.

Appointment of Mr. E. S. Tarlton as an Advisor to the XV International Labour Conference.

Letter No. 842 dated 2nd May 1931 from Chamber to the Officers of the 15th International Labour Conference.

I am directed by the Committee of my Chamber to convey to you their emphatic protest against the validity of the nomination of Mr. E. S. Tarlton as an Advisor to the Indian

Employers' Delegate to the XV Session of the International Labour Conference.

My Committee had occasionto enter into a similar protest in the year 1926 in connection with the nomination of Sir Arthur Froom as Indian Employers' Delegate to the IX Session of the International Labour Conference. They had then stated in detail their reasons for questioning the representative character of the Delegate, and as the same are recorded in the Official Reports of the Conference, they feel that they need not repeat the same here.

They would, however, like to draw your attention to the undertaking given by the Government of India representative before the Credentials Committee of the XIII Session of the International Labour Conference in connection with the protest against the validity of the nomination of Mr. Brown as an Advisor to that Conference to the following effect :—

> "The Indian Government representative informed the Credentials Committee that his Government hoped in future to be able to appoint the Employers' Delegate and his advisors on the basis of an agreement reached between the two Federations. The Credentials Committee, in taking account of that statement, expressed the wish that the Indian Government would, in that way, be able to appoint the Employers' Delegation to the future sessions of the International Labour Conference so that their nomination would no longer give rise to objections".

While my Committee are not prepared to concede that institutions representing non-national interests are entitled to be consulted, they however are not aware of any steps taken by the Government of India to implement this assurance. Under the circumstances, my Committee respectfully but emphatically beg to submit that the nomination of Mr. Tarlton as an Advisor

to the Indian Employers' Delegate to the 15th International Labour Conference should not be recognised.

They also hereby confirm that they have authorised Mr. Walchand Hirachand, the Indian Employers' Delegate to lodge before the Officers of the Conference a protest on their behalf against the validity of Mr. Tarlton's nomination and make such statements and representations as he may consider necessary in this connection.

Copy letter No. 726, dated 28-4-1931, from the Secretary, Indian Merchants' Chamber, Bombay, to Sheth Walchand Hirachand, Delegate of Indian Employers at the 15th Session of International Labour Conference.

"The attention of my Committee has been drawn to the appointment of Mr. E. S. Tarlton as one of your Advisors for the forthcoming 15th Session of International Labour Conference. The Committee of this Chamber are, as you are aware, strongly opposed to the nomination of any non-nationals in the capacity either of delegates or of advisors. They raised their protest against the appointment of Sir Arthur Froom as Delegate to the 9th Session. A copy of their protest at the time is enclosed herewith for ready reference. They also sent a telegram of protest to the Government of India when Mr. Brown was appointed as Advisor to the Indian Employers' Delegate for the 13th Session of the Conference. A copy of this telegram is also enclosed herewith.

My Committee are emphatically of opinion that under Article 389 of the Treaty of Versailles Government can appoint only those delegates and advisors who are chosen in agreement with those organisations which are most representative of employers in their respective countries. It appears also from the report of the Credentials Committee of the Conference that nationals only can be appointed as Delegates or Advisors.

My Committee would also like to draw your attention to the undertaking given by the Government of India representative before the Credentials Committee of the 13th Session of the International Labour Conference to the following effect:—

"The Indian Government representative informed the Credentials Committee that his Government hoped in future, to be able to appoint the Employers' Delegate and his Advisors on the basis of an agreement reached between the two Federations. The Credentials Committee, in taking account of that statement, expressed the wish that the Indian Government would, in that way, be able to appoint the Employers' Delegation to the future sessions of the International Labour Conference so that their nomination would no longer give rise to objections."

"No such negotiations have taken place upto this time, to the knowledge of my Committee, and the Government of India have failed to carry out the promise which their representative gave and which went largely towards influencing the decision of the Credentials Committee.

Under these circumstances, my Committee have no other recourse but to request you to be good enough to lodge a protest before the Credentials Committee of the 16th Session of the International Labour Conference, against the nomination of Mr. E. S. Tarlton as Advisor to you."

APPENDIX 74.

Age of Admission of Children to Employment in Non-Industrial Occupations.

Letter No. 1317 dated 28th November 1930 from the Federation of Indian Chambers of Commerce & Industry to Chamber.

I am directed to forward, under separate cover, a copy of the questionnaire issued by the International Labour Office

on the question of Hours of Work in Coal Mines—second item on the Agenda of the XV Session of the International Labour Conference which meets from 28th May, 1931. It is requested that whatever views your Committee may desire to offer on the questionnaire may kindly be communicated to this office not later than Monday, the 2nd February, 1931, to enable this office to acquaint the Indian Employers' Delegation with the views of the various Indian Chambers of Commerce in the country.

The office has not yet received any documents relating to the first item on the Agenda of the Conference—Minimum Age of Employment in non-Industrial Occupations—and as soon as they are received, they will be forwarded to you for expression of opinion thereon.

Letter No. 342 dated 12th February 1931, from Chamber to the Federation.

With reference to your letter of the 2nd December 1930, No. F. 1326, I am directed to send hereby the views of the Committee of this Chamber :—

My Committee are in favour of a Convention being framed by the International Labour Conference with regard to the age of admission of children to employment in non-industrial occupations. They consider that the following occupations should be specified as those non-industrial occupations to which the Convention should apply for the present at least in this country :—

(*a*) Commercial establishments ;

(*b*) Offices of all description;

(*c*) Establishments in which hygiene and the care of sick persons is undertaken, including bathing establishments and doctors' and dentists' consulting rooms, etc.

(*d*) Ambulant occupations, such as street trading, peddling, etc.;

(*e*) Amusement and public entertainment undertakings, including fairs;

and

(*f*) Catering establishments.

In the opinion of my Committee the age to be fixed for admission of children into non-industrial occupations should be twelve. If it is found that it is not possible to fix this age for all the State-Members of the International Labour Conference, it should be at least fixed for India, looking to her peculiar situation.

The following exceptions mentioned in the Grey Report, on page 102, may well be admitted :—

Work carried out in technical schools approved and supervised by the public authorities;

Work which children might, under safeguarding conditions, do in establishments employing only members of the same family, or at least members of the same household, living under the same roof and under the protection of the head of the family;

and

Operatic, theatrical and other performances and films "In the interests of art", their artistic nature being duly examined and attested by a board of competent and disinterested authorities.

Regarding the fixing of maximum number of hours outside schools, both on school days and holidays, etc., it is not possible to reply as compulsory primary education not being universal school hours are not fixed.

My Committee do not agree with the suggestion that there should be some occupations, which should be classed as

specially dangerous excepting in the case of employments in liquor shops. Some of these occupations are classed as dangerous in the European countries owing to peculiar conditions of traffic, etc. there. This classification, however, should not be applied to India at all.

As to the question whether the International Regulations should specify the measures to be taken to facilitate enforcement of its provisions, my Committee would rather leave these details to be decided by the Legislature of each country.

With regard to the other item on the Agenda, *viz.* Hours of work in Coal Mines, my Committee are still considering the same, and their views thereon will be sent to you as soon as possible.

Letter dated 25th September 1931 from the Labour Office, Bombay, to Chamber.

In continuation of the correspondence on the above subject ending with this office letter No. 1929 dated 16th July 1931, I am instructed by the Government of Bombay to forward herewith a copy of the Red pamphlet containing the questionnaire issued by the International Labour Office on the above subject, together with 12 copies of the questionnaire for your information and opinions on the points raised therein. I am sending these papers to you in advance of the usual circular letter from the Government of India forwarding copies of International Labour Office questionnaires because the ordinary procedure usually gives only a very limited time to public bodies etc. to prepare their replies. I shall communicate further with you when a communication from the Government of India is received, but I trust that pending its receipt you will give the questionnaire your careful consideration in order that an early reply may be received and the maximum time therefore given to Government to consider the views and opinions of the various persons and bodies who are being

consulted on the question. I am aware that your members do not employ children, but you may be in a position to offer valuable general remarks on the questionnaire.

Letter No 2593 dated 19th December 1931 from Chamber, to the Labour Office.

With reference to the correspondence ending with your letter No. 3100, dated the 17th November, 1931, I am sending to you herewith the (replies) of my Committee to the Questionnaire issued by the International Labour Office on the above subject.

Replies to the Questionnaire of the International Labour Office on the Admission of Children to Employment in Non-Industrial Occupations.

Questions.	*Answers.*
1. (*a*) Do you consider that the International Labour Conference should adopt international regulations on the age of admission of children to employment in non-industrial occupations?	Yes.
(*b*) Should these international regulations take the form of a Draft Convention rather than of a Recommendation ?	These international regulations should take the form of a Draft Convention
2. (*a*) Do you consider that the Draft Convention should in principle include within its scope all occupations other than those in industry, agriculture, and on board ship already covered by the three following Conventions previously adopted by the Conference?	Yes.

Questions.	*Answers.*
Convention fixing the minimum age for admission of children to industrial employment (Washington 1919);	Yes.
Convention fixing the minimum age for admission of children to employment at sea (Genoa, 1920);	
Convention concerning the age for admission of children to employment in agriculture (Geneva, 1921);	
(*b*) Do you propose to exclude from the scope of the Draft Convention any other occupations in addition to those excluded in advance by the above Conventions?	The theatrical profession should be excluded from the scope of the Draft Convention.
3. (*a*) For the purpose of drafting, do you consider that the scope of the Draft Convention should be defined by a general formula to the effect that it includes all occupations other than those covered by the three Conventions mentioned above (and excluding, if necessary, any further occupations proposed under (*b*) of Ques. 2)?	Yes.
If so, should the Draft Convention, on the analogy of the 1919 Convention mentioned above (Article 1, last paragraph), require the competent authority in each country to define the line of division which separates the occupations to be included, on the one hand, from industry, agriculture, and employment on board ship, on the other?	Yes.

Questions.	*Answers.*
In such case, should the Draft Convention require the competent authority to consult the employers; and workers' organisations concerned before defining this line of division?	Yes.
4. (*a*) Do you consider that the Draft Convention should prescribe, subject to such exceptions as it may specify, a general minimum age for the admission of children to employment in the occupations to be included in its scope? Should this general minimum age be fixed at 14 years; or do you propose another, and what age?	The age should be fixed at twelve. If it is found that it is not possible to fix this age for all States-Members of the International Labour Conference, it should at least be fixed for India looking to her peculiar situation.
(*b*) Should the Draft Convention further stipulate that the general minimum age is to coincide with the school-leaving age in countries there the school-leaving age is higher than 14 years or such other figures as may be fixed under (*a*) of this Question?	Yes.
5. Do you consider that the general minimum age laid down by the Draft Convention as an absolute provision so as to prohibit any employment in the occupations covered below such age.	
(*a*) during the hours fixed, by national or local laws or regulations for school attendance;	Yes.

Questions.	*Answers.*
(*b*) outside the hours so fixed for school attendance?	There should be no restrictions for light work outside school hours.
6. Do you consider that provision might be made in the Draft Convention for allowing children under the general minimum age to be engaged in light employment outside the hours fixed for school attendance, provided such employment is not dangerous or unsuitable for them and not such as to prejudice their attendance at school?	As mentioned before light work outside school may be allowed provided that such light work is not physically injurious to children. It should however be exactly defined as to what is meant by the word dangerous.
Should it be left to the competent authority in each country to define light employment of the kind here in question, or should the draft itself contain a list of the specific forms of such employment which might be allowed?	The competent authority in each country should be left to define the light employment here in question.
7. Should the Draft Convention leave it to the competent authority in each country to fix the conditions to be fulfilled before children may be engaged in light employment outside school hours?	The competent authority in each country may be left to fix the conditions to be fulfilled before children may be engaged in light employment outside school hours.
In any case, what conditions do you propose might be taken into consideration (*e.g.* consent of parents, medical authorisation, etc.)?	Consent of the parents should be deemed sufficient for such an employment.

Questions.	*Answers.*
8. Should the Draft Convention lay down Limitations on the occupation of children in light employment outside school hours, by *e. g.*, fixing a limited number of hours of work. (*a*) On days when instruction is given both morning and afternoon; (*b*) On half holidays; (*c*) On whole holidays (including school vacations)? What number of hours of work, or what other limitations, do you propose in each case?	No
9. Should the Draft Convention prohibit or limit even light employment on Sundays and public holidays? If you are not in favour of prohibition, what limitations do you propose?	The Draft Convention should not lay down such limitations as mentioned in our replies to Ques. 6 and 7. It should be left to the competent authority in each country to do this.
10. Should the Draft Convention prohibit even light employment at night? Should "night" be defined as the period between 8 p. m. and 8 a. m., or what other period?	Even light employment should be entirely prohibited from 8 p. m. to 6 a. m.

Questions.	*Answers.*
11. Do you consider that the Draft Convention should provide for special regulations or an exemption for work done by children in technical and professional schools?	Not necessary.
Should this work be exempted from the Draft Convention only on condition that it is essentially of an educative character, is not utilised for commercial profit, and is approved and supervised by public authority?	
12. Should the Draft Convention provide for an exemption for the employment of children in undertakings in which only members of the family are employed?	Yes.
If you consider that special regulations should be laid for such undertakings, what regulations do you propose.	
13. Should the Draft Convention contain special provisions for the employment of children in private domestic services?	There should be such an exemption for private domestic service, provided that such services do not interfere with education.
What provisions do you propose?	
14. Should the Draft Convention make special provision, and what provision, for the employment of children (including preparation and execution) in theatres, the film industry, and public	The Draft Convention should exclude from its operations employment of children in theatres, film industry, and public

Questions.	*Answers.*
entertainments generally, in the interests of arts and science?	entertainments generally in the interest of arts and science.
If so, what special measures should be laid down for safeguarding the health, physical development and education of such children?	It may be left to the competent authority in each country to lay down any rules, if necessary, for safeguarding the health, physical development and education of such children.
15. Should the Draft Convention prohibit entirely the employment of children in occupations which are dangerous in character or likely to be injurious to their health or morals? Or should the Draft Convention lay down special, and what, regulations for these occupations? What particular occupation would you include in the category here in question, and should a specific list of the occupations concerned be given in the Draft Convention?	My Committee do not agree with the suggestion that should be some occupations which should be classed as specially dangerous, excepting the case of liquor shops. Some of these occupations are classed as dangerous in the European countries owing to peculiar conditions of traffic there. This classification, however, should not be applied to India.
In any case, should a special minimum age or ages, and what age or ages, be fixed for admission to employment in those occupations?	No professional beggary should be allowed

Questions.	*Answers.*
16. (*a*) Should the Draft Convention lay down special regulations on the minimum age for admission to employment in street trading?	The age limit of twelve should be applied in this case also.
Should a minimum age higher than the general minimum be fixed for the admission of persons of either sex to such employment? Should be the age be fixed at 18 years as an absolute rule for girls, and that age do you propose for boys?	
What other special regulations, if any, should be prescribed with reference to the minimum age as such for street trading?	
(*b*) What particular occupations do you consider should be included as "street trading" for the purpose of the present Question?	
Should employment at counters outside shops be included?	
18. Should the Draft Convention provide that it is to be forbidden for persons who have been convicted of certain crimes or who are notorious drunkards to employ in any occupation whatsoever children other than their own under the general minimum age, even if these persons are living in the same household with such other children?	Yes

Questions.

19. Do you consider that the Draft Convention should lay down the following measures to be taken for facilitating the enforcement of its provisions.

(*a*) Every employer in the occupations covered to be required to keep a register of all persons under a prescribed age employed by him, and of the dates of their births;

Should the prescribed age be at least two years above the minimum age for admission to employment in the particular occupation concerned?

(*b*) Strict aids to enforcement to be prescribed for employment in public entertainments, *e.g.*, by the requirement of licenses for such employment, safeguarding the right of entry to the premises for the purposes of supervision, and by what other means?

(*c*) A license to be carried and a badge to be worn for employment in street trading;

(*d*) Penalties to be provided for non-observance of the conditions for facilitating enforcement?

What other measures do you propose?

Answers.

As to the question whether international regulations should provide the measures to be taken to facilitate the enforcement of its provisions, my Committee would rather leave the details to be decided by the Legislature of each country.

APPENDIX 75.

Hours of Work in Coal Mines.

(VIDE LETTER DATED 28TH NOVEMBER 1930 FROM THE FEDERATION APP. 74.)

Letter No. 494 dated 5th March 1931 from Chamber to Federation.

With reference to the Questionnaire on Hours of Work in Coal Mines issued by the International Labour Office sent with your letter No. 1317 of the 28th November 1930 I am directed to inform you that in the absence of any coal mining interest in this Presidency, my Committee are naturally unable to get any assistance from persons connected with coal mines. They have, therefore, no views to offer on the subject.

APPENDIX 76.

Prevention of Industrial Accidents.

Letter No. 3778 dated 23rd December 1930, from the Labour Office, Bombay to Chamber.

I have the honour to enclose herewith 12 copies of

(1) The Government of India, Department of Industries and Labour, letter No. L–1769 dated the 21st November 1930 on the above subject, and

(2) The text of the Recommendation concerning the prevention of industrial accidents adopted by the Twelfth Session of the International Labour Conference, 1929, (For enclosures refer File R. 36 of 1931) for the information of your Chamber and to request you to favour me with the views of your Chamber by *the 1st of March 1931* at the latest.

2. I would like to invite your attention to para 6 of the Government of India letter and to request you to submit your

views, generally on paras 2, 3, 4 and 5 of the letter and particularly on each of the articles of the Recommendation adopted by the Twelfth International Labour Conference.

Letter No. 868 dated 7th May 1931 from Chamber to Labour Office.

I am directed by the Committee of this Chamber to send to you hereby their views regarding the above Recommendation, in reply to your letter No. 3778, dated 23rd December 1930.

The first part of the Recommendation relates to statistical study and the causes of accidents, investigations into the physical, physiological and psychological factors governing accidents, etc. As matters stand at present, there is not much statistical data available which can be suitable for study and research with regard to industrial accidents. It is true, as Government observe, that a good deal of difficulty will be experienced in this matter owing to the absence of properly equipped organisation among industrial workers. It will also entail some additional expenditure on the employers and the State; and yet looking to the importance of this question, the Committee cannot say that there is no utility for a collection of such data and statistics as would be suitable for study and research work. The Factories Department is concerned only with finding out what safety devices should be employed and minimise the risk of accidents. My Committee suggest that effect must be given to this first part in order to make it possible to have a systematic and satisfactory collection of statistics.

Part 2 deals with the various methods of co-operation *e. g.*, periodical conferences between Inspectorate and representative organisations of employers and workers, appointment of safety organisation in each factory, safety exhi-

bitions, etc. It also wants to provide for the necessity, if instruction in accident, prevention in schools and provision of first aid appliances and undertaking and arrangements for medical attendance and ambulance service. My Committee approve of such a collaboration between the Factory Inspectorate and workers and employers, as is obviously the objective of the Part 2.

Part 3 lays down certain principles which are recommended to be incorporated in national laws and regulations with a view to ensure an adequate standard of safety. Some of these requirements are met already by the existing provisions in the Indian Factories Act and the Indian Mines Act and the rules framed thereunder. The principal new provisions are :—

(1) Calling upon employer to instruct to his workers as to the dangers of their occupation (Article 16) ;

(2) Making it the legal duty of the workers to comply with the safety regulations (Article 19) ;

(3) Enabling the workers to collaborate in securing the observance of the safety regulations by the methods best suited to each country, *e. g.*, the appointment of qualified workers in the official inspection service, giving workers an opportunity of seeing the inspectors working while visiting the undertakings, inclusion of workers' representatives in safety committees, etc. (Article. 21).

My Committee are of opinion that all these new provisions must be incorporated in the Factory legislation to fulfil the requirements of the Recommendation as these will remove some of the anomalies of the present system.

Part 4 requires that State-Members should endeavour that accident insurance institutions take into account while

assessing premia, the safety measures taken by each firm and encourage institutions in work of accident prevention. This part of the Recommendation has little application to this country on account of the limited number of such Insurance Institutions in existence here. Such institutions as exist probably take steps to encourage safety measures and take them into account when assessing premia, but Government apparently have not got any definite information on this point. It is not impossible, however, for new insurance organisations to be started dealing with accident insurance and my Committee consider that Articles 22 and 23 of Part 4 may well be borne in mind by both the old and new accident insurance institutions.

APPENDIX 77.

Proposal for a British Empire Mark of Origin.

Letter No. F. 1436 dated 13th November 1931 from the Federation of Indian Chambers of Commerce and Industry to Chamber.

The British Empire Mark of Origin Association of London have addressed a letter to the Federation in connection with the proposal submitted by them to the last Session of the Imperial Conference on the object of Mark of Origin for goods produced or manufactured within the British Empire.

The object of the British Empire Mark of Origin Association in submitting such a proposal is to impress upon the purchaser's mind that the goods bearing the mark are of British Empire origin and neither foreign made nor foreign grown. It is no intention of theirs to indicate quality by means of this mark, it being left to individual trade marks and to national marks where such exist, and further even the use of the Mark of Origin would be entirely left to the discretion of the manufacturers and growers in the British Empire. The

Association feel that the use of such an Origin Mark would result in a steady expansion of inter-Empire trade.

The General Economic Committee of the Imperial Conference, 1930, gave consideration to this proposal. On the one hand, it was suggested that a voluntary Empire Mark indicating that goods were produced within the British Empire might stimulate inter-Empire trade, but on the other hand it was also pointed out that such a Mark might cause difficulties by being regarded as a Mark of quality while it would be of no assistance with regard to exports to foreign countries. The Committee in these circumstances have not felt able to make any specific recommendations on the subject.

The Association got themselves in communication with the various organisations of producers and manufacturers in the British Empire on the various points raised by the General Economic Committee of the Imperial Conference and have now come to the conclusion that the difficulties suggested by the Conference are not insurmountable and that one such a Mark is established, it would enormously facilitate the sale of Empire goods. They have, therefore, addressed the various organisations in the British Empire with a view to prevail upon the organisations to submit a similar proposal before their respective Governments in order to reopen the discussion on this question at the next Session of the Conference which would be meeting in Ottawa.

The Association did not approach the Federation during the preliminary stages of development concerning this proposal but they have now addressed a communication to the Committee stating that they would very much appreciate any comments on the proposal introducing a British Empire Mark of Origin for all goods manufactured and grown in the British Empire. The Committee of the Federation that met in Bombay in October last decided that the views of the Member-Bodies

affiliated to the Federation should be ascertained on this proposal before submitting any criticism to the Association on their proposal. I shall, therefore, thank you to furnish me with such views as your Committee may be pleased to offer on this question at as early a date as possible.

No. 2433 dated 27th November 1931 from Chamber to the Federation.

Your letter No. F. 1436 of the 13th instant, on the subject of a proposal for the acceptance of a British Empire Mark of Origin, was considered by my Committee at their last meeting. They are of opinion that India is not interested in the proposal, as it would not be of much practical advantage to the country. At any rate, they are of opinion that the country should be committed to no such scheme at the present stage, when her position and status in the Empire is still a matter for settlement.

General.

APPENDIX 78.

Reported Police Excesses in Borsad. Letter No. 314 dated 11th February 1931 from Chamber to Government of Bombay, Home Department.

The painful attention of the Committee of this Chamber has been drawn to the brutal assaults which are alleged to have been committed by the Police in Borsad against a procession of women. In this connection, they have also read the two Press Notes issued by the Director of Information.

In the first place, my Committee take strong exception to the tone of the second Press Note which is flippant and undignified, and is insulting in the suggestion that "no ears were shocked by anything said at that time," and highly offensive in the allegation without any evidence that "women freely indulged in abuse and insulting gestures." They are constrained to

say that, looking to the statements issued by the women victims themselves and attested by ladies of eminently respectable position, as also the statements in the Press, the Press Notes issued by the Director of Information are not at all convincing. The incident which happened at Borsad is, from all the reports, notoriously unique in the alleged manifestation of violence and brutality towards women. It appears that in the procession of about 1,500 women a large number of them were belaboured by lathis on all parts of their bodies, including their heads ; kicked by boots and struck by muskets on even the tenderest parts of their bodies. The first Press Note mentioned that "only 21 persons were injured," and that "none of them were seriously injured or had any injuries except bruises." While the second Press Note contents itself with remarking that the estimate of 200 "must be greatly exaggerated." It does not, however, give any exact figure. The first Press Note also makes no reply to the statement that the procession was neither banned nor illegal ; yet it proceeds to give the serious news that "had action been delayed any longer, it is certain that serious trouble would have arisen that would inevitably involve the use of fire arms." The second Press Note makes the general statement that "there was however no need for any such order, since as has been stated, it was well known to the people of Borsad that for months past no such procession had been allowed." Does this mean that Government have decided to set aside all laws and regulations in connection with processions and public meetings and that the Executive are at liberty to take the law in their own hands ?

The procession of women was entirely peaceful and non-violent. To justify apparently the brutal conduct of the Police, the second Press Note makes the assumption that "it had been bruited about for a day or two before January 21, that the male population was arming itself for a concerted attack on the Police and on the day in question there was an unusual gather-

ing of men armed with bill-hooks, lathis and knives in the town.'' If these statements are correct, one wonders how there is not reported any attack on the Police, though the latter beat and abused women. The Committee, however, have no desire to enter into a detailed controversy with regard to the Press Notes. Very grave allegations have been made by most respectable and disinterested people, and they and the women who have suffered severe injuries and worse insults, demand an inquiry. It is necessary for the good name of Government, if not for anything else, that all these highly regrettable incidents should be inquired into by an impartial judicial Committee. My Committee are of opinion that the only honourable course for Government is to accept such an inquiry which will bring out the true facts of this tragedy.

Letter No. S. D. 865 dated 14th February 1931 from Government of Bombay to Chamber.

I am directed by the Governor-in-Council to acknowledge the receipt of your letter No. 314, dated the 11th February 1931, suggesting the appointment of a judicial committee to enquire into the incidents which took place at Borsad on the 21st January 1931.

APPENDIX 79.

Franchise in the Future Constitution of India.

Letter No. 24/478. dated 25th March 1931 from the Government of Bombay (Reforms Officer to Chamber.)

I am directed by the Governor-in-Council to state that in pursuance of the recommendation of the Indian Round Table Conference a Franchise Committee is expected to arrive in India in the near future with instructions to investigate the possibilities of revision of the existing franchise for the Bombay Legislative Council. It is, therefore, necessary for Government to formulate their views as to the future franchise

and to collect necessary material for submission to the Franchise Committee when it arrives. I am accordingly to forward herewith a copy each of the Report of the Franchise Sub-Committee of the Indian Round Table Conference and paragraphs 106–108 of Volume II of the Report of the Indian Statutory Commission and to request that you will be so good as to favour Government with your remarks on each of the recommendations therein made at a very early date. In particular, I am to request you to state what revision of the franchise would, in your opinion, secure the enfranchisement of the population to the extent recommended by the Franchise Sub-Committee, how the ideal suggested in paragraph 5 of its report can best be reached and how far the proposed qualifications for women are suitable.

2. Returning Officers for general constituencies are also requested to be so good as to furnish information on the following points :—

(1) What should be the franchise if 10 or 15 or 20 per cent of the total population of your constituency was to be enfranchised;

(2) what would the extent of enfranchisement be in your constituency if the existing franchise was lowered to say, two-third or one-half;

(3) what approximately is the number of persons in your constituency who attained the fifth standard class before leaving school and would be enfranchised, if the qualification suggested by the Indian Statutory Commission in paragraph 106 of Volume II of their Report was introduced. It would be most helpful if information could be furnished showing the number of persons who would be enfranchised in each of the classes, communities and interests who are represented in the present electorates;

(4) what would be the possible number of women voters if the qualifications suggested for women voters by the Indian Statutory Commission and the Franchise Sub-Committee were introduced;

(5) what would be the extent of enfranchisement of members of joint Hindu families if the proposed qualifications were introduced.

3. The information required in the foregoing paragraph is shown in a tabular form in the statement hereto appended and I am to request that, besides stating your views on each of the points mentioned in the foregoing paragraphs, the form sent herewith may kindly be filled in and returned to this office together with your remarks so as to reach me within two months from the date of receipt of this letter.

INDIAN ROUND TABLE CONFERENCE.

Report of Sub-Committee No. VI.

(FRANCHISE.)

1. The terms of reference to this sub-Committee were as follows:—

> "On what main principles is the Franchise to be based for men and women."

The following delegates were selected to serve on the sub-Committee:—

Sir W.A. Jowitt (*Chairman*).	Mr. Fazl-ul-Huq.
Lord Zetland.	Mr. Ghuznavi.
Major Stanley.	Lieut.-Colonel Gidney.
Sir R. Hamilton.	Sir Ghulam Hussain Hidayat-ullah.
Mr. Foot.	
Dr. Ambedkar.	Mr. Hafiz Hidayat Hussain.
Mr. Basu.	Mr. B. V. Jadhav.
Mr. Barooah.	Sir Cowasji Jehangir.
Mr. Chintamani.	Mr. Joshi.

Dr. Narendra Nath Law.
Sir P. C. Mitter.
Mr. Pannir Selvam.
Raja of Parlakimedi.
Mr. K. T. Paul.
Mr. Ramachandra Rao.
Mr. Shiva Rao.
Sardar Sampuran Singh.
Sardar Ujjal Singh.
Sir Chimanlal Setalvad.
Kunwar Bisheshwar Dayal Seth.
Sir Phiroze Sethna.
Dr. Shafa'at Ahmad Khan.
Mr. Zafrullah Khan.
Begum Shah Nawaz.
Mrs. Subbarayan.
Mr. Srinivasan.
Mr. S. B. Tambe.
Sir Hubert Carr.

2. The sub-Committee met on the 19th, 22nd, and 30th of December, 1930, and on the 1st of January, 1931, and have authorised me to present this Report.

3. In our discussion of the franchise principles we have found that they were closely connected with questions which more properly concern the composition of the legislatures, the nature of the constituencies, and the qualifications for candidates for election. These points have not been considered in the Sub-committee as they fall outside its terms of reference but we are of opinion that they should be further examined since the efficacy of any franchise system depends as much on these points as on the qualifications for the franchise.

4. *Extension of the Franchise.*—While it was generally held that adult suffrage was the goal which should ultimately be attained, it was agreed that the basis of the franchise could forthwith be broadened and that a large increase was desirable.

Some difference of opinion existed as to the extent to which this was practicable in present circumstances, and it was realised that the sub-Committee had not the necessary material to determine the precise limits of the advance. The Statutory Commission suggested such an increase in the number of electors as would bring that number up to 10 per cent. of the total population. Some of our members thought that an in-

crease to 25 per cent. of the total population was immediately practicable.

We recommend that an expert Franchise Commission should be appointed with instructions to provide for the immediate increase of the electorate so as to enfranchise not less than 10 per cent. of the total population and indeed a larger number—but not more than 25 per cent. of the total population —if that should, on a full investigation, be found practicable and desirable.

We recommend that, in addition to providing for this increase, the Commission should consider the introduction of a scheme by which all adults not entitled to a direct vote would be grouped together in primary groups of about 20 or in some other suitable manner, for the election of one representative member from each group, who would be entitled to vote in the Provincial elections either in the same constituencies as the directly qualified voters or in separate constituencies to be formed for them.

[Mr. Joshi, Mr. Shiva Rao, Dr. Ambedkar, Mr. Srinivasan, Mr. K. T. Paul, and Mr. Jadhav regard these proposals as quite inadequate and consider that the immediate introduction of adult suffrage is both practicable and desirable.

Sir Cowasji Jehangir and Sir P.C. Mitter dissent from these proposals and consider that the basis of the franchise should be broadened, if at all, by another system.]

5. *Uniformity of Qualifications for the Franchise.*—We recommend that in any given area the franchise qualifications should be the same for all communities; but we desire that the Franchise Commission in making their proposals should bear in mind that the ideal system would as nearly as possible give each community a voting strength proportional to its numbers and that the Commission should so contrive their franchise system as to secure this result in so far as it may be practicable.

[Sardar Ujjal Singh, Sardar Sampuran Singh, Sir Cowasji Jehangir, and Lieut.-Colonel Gidney dissent from the latter part of this conclusion.]

6. *Property Qualification.*—We consider that there should be a property qualification for the franchise and that in this connection the word "property" should be understood in its widest sense as including not only the ownership of landed property but also the occupation of landed or house property or the receipt of income or wages whether in cash or kind.

7. *Educational Qualification.*—We are of opinion that the Franchise Commission should consider the possibility of framing a suitable educational qualification as an additional qualification for the franchise, bearing in mind the ideal enunciated at the end of paragraph 5.

8. *Military Service Qualification.*—We are agreed that the existing Military Service qualification should be retained and we recommend that the Franchise Commission should consider the extension of this qualification so as to include service in the Auxiliary and Territorial Forces.

9. *Special Franchise Qualification for Women.*—We observe that under the existing franchise the number of women voters is infinitesimal as compared with that of men. No system of franchise can be considered as satisfactory, or as likely to lead to good government where such a great disparity exists between the voting strength of the two sexes. We do not anticipate that the recommendations we have already made will reduce this disparity, nor do we think that they provide sufficiently for the enfranchisement of women. We therefore agree that special qualifications should be prescribed for women but we feel that there is not sufficient material before us to justify an attempt to formulate these special qualifications. We therefore recommend that the Franchise Commission should devote special attention to this question in the light of all the

evidence available including the recommendations of the Statutory Commission and the suggestion made in this sub-committee that the age limit mentioned in the proposals of the Statutory Commission should be lowered from 25 to 21.

[Mr. Joshi, Mr. Shiva Rao, Dr. Ambedkar, and Mr. Srinivasan dissent from the proposals in paragraphs 7, 8 and 9.]

10. *The Franchise for Special Constituencies.*—We are of opinion that the franchise qualifications for special constituencies depend essentially on the nature of those constituencies. We are not empowered to consider the latter point nor are we in possession of information as to what special constituencies are contemplated. These questions require examination by a competent body. So far as the franchise aspect has been discussed in this Sub-committee a division of opinion has shown itself as to the desirability of permitting a voter qualified in both a general and a special constituency to vote in both.

11. *Urban and Rural Enfranchisement.*—We are of opinion that the Franchise Commission should endeavour so to adjust the franchise qualifications as to remove in those areas where it may exist any marked disparity in the operation of the franchise qualifications in urban as compared with rural areas.

12. *The Residential Requirement.* —We are of opinion that the residential qualification for the vote required by the electoral rules of certain Provinces should be abolished.

13. *The Future Electorate.*—We consider it inadvisable to lay down any programme of automatic extensions of the franchise. We prefer that it should be left to each Provincial Legislature to extend its franchise at its discretion after the lapse of 10 years from the date of the introduction of the new Constitutions.

[Mr. Joshi, Mr. Shiva Rao, Dr. Ambedkar, and Mr. Srinivasan consider that a programme of automatic extensions of the franchise should be laid down].

14. *Franchise for the Central or Federal Legislature.*—The form of the Central or Federal Legislature has not yet been decided and in these circumstances we do not find it possible to make any suggestions regarding a suitable franchise system.

[Mr. Fazl-ul-Huq and Mr. Ghuznavi desire it to be recorded that their assent to this report is contingent on the retention of separate electorates.]

Copy of Paragraphs 106-108 of Volume II of the Report of the Indian Statutory Commission.

Our own Proposals for Extension.

106. Our proposal is that a new Franchise Committee, or other suitable body under an impartial and experienced chairman should be set up with instructions to frame schemes which would enfranchise about 10 per cent of the total population. This would more than treble the present number of voters and would make an electorate of about 20 per cent. of the adult population. The Franchise Committee would be directed to consult the provincial Governments before determining what modifications in voting qualifications should be made for this purpose, and would be required, in drawing up its schemes, to have due regard to the respective claims of rural and urban areas, and to the rights of women as well as men. Another instruction to the Franchise Committee would be to devise such qualifications as would secure, as far as possible, the same proportion of voters to population in different communities. What sort of qualifications would best bring about the desired result will be for the future Committee to determine. But we may say at once that we do not think the result should be attained simply by providing different set of qualifications for voters of different religious or races. The Committee should consider whether it is not practicable and desirable to introduce an additional qualification based on education, independently of property, such, for example, as the

attainment of the fifth class before leaving school. This is not the imposition of a test for the vote, but the introduction of another head of qualification. Our Education Committee's Report shows how many pupils drop out before reaching this level, and if it proved administratively possible to put on the voters' list at the age of 21 those who held a certificate showing that they had reached the standard of the fifth class, this would not only bring in voters of better education without any property test but would provide for an increase in the number of electors in proportion as education expands.

Some Defects of the Present Franchise.

107. The importance of lowering the property qualification, if justice is to be done as between different classes and creeds, may be illustrated by a few examples. Figures before us for Madras show that in that Presidency, while Muhammadans are 6·7 per cent. of the population, they are 4·7 per cent. of the voters; Indian Christians are 3·2 per cent. of the population, but only 1·8 per cent. of the voters; Depressed Classes are 15·5 per cent. of the population, but only 4·1 per cent of the voters; while the balance of the population (in effect caste Hindus) are 74·6 per cent. of the population and 89·4 per cent of the voters. Of course Muhammadan representation is disproportionately increased in the Councils by weightage in seats. In each case, the explanation of the drop in voting ratio as compared with population ratio is due to the greater poverty of the classes of voter affected. They are more depressed economically than other sections of the community and, therefore, on a given property qualification these classes will secure a lower proportion of votes than others. But with a lowering of the franchise, these classes will not only secure more voters in the aggregate, but their voting ratio will more nearly approximate to their population ratio. This is very clearly brought out in the case of the Muhammadans of Bengal. One of the qualifications for a vote for the

Legislative Council is the payment of chaukidari tax of not less than two rupees. For electors to Union Boards there is a similar qualification, except that the minimum payment to qualify for a vote is one rupee instead of two. Now, the Muhammadans, are 55·3 per cent of the rural population of Bengal. But in the rolls of rural electors for the Legislative Council they are only 48·8 per cent.; whereas for Union Boards where the qualification is halved, Muhammadan voters are 57·7 per cent. which much more nearly corresponds to their population ratio. It is calculated that out of an additional 968,000 voters in rural Bengal brought in by such a lowering of franchise 608,000 would be Muhammadans. The effect on the depressed classes of lowering the franchise may not be so marked, but in their case too, as the qualification is lowered, their voting ratio will rise. As we are opposed to having different qualifications for different classes in the same province, the importance of lowering the franchise and thus bringing the economically backward in greater numbers within the electoral range is manifest.

Proposed Qualifications for Women Voters

108. The qualifications for women voters also need reconsideration. We have explained in our first volume why the enfranchisement of Indian women "on the same terms as men" produces very few women voters indeed. We desire to see a substantial increase in the present ratio of women to men voters. If this is not effected now, the situation will later on be reached when so large a proportion of adult men are on the register, and so few women, that a further extension to bring the number of women voters more nearly to an equality (even if the provincial councils as then constituted proposed it) would necessitate the sudden admission of vast numbers of women with hardly any increase in the number of men. It is far better to proceed gradually and steadily, and a further step in developing women's suffrage in India should be taken now. Some qualification other than the present one is needed, and it

is very difficult to suggest the most satisfactory method. It may perhaps be found possible to add to the present qualifications two others, *viz.* (1) being the wife, over 25 years of age, of a man who has a property qualification to vote, and (2) being a widow over that age, whose husband at the time of his death was so qualified. In addition, the educational qualification should apply to women over 21 as well as to men. Many will be disposed to say that Indian wives and widows are so largely uneducated or living in seclusion that their enfranchisement to this extent is premature and extravagant. We do not think so. The beginning of a movement among certain Indian women, however comparatively few in number they may yet be, to grapple with problems which specially affect home and health and children is one of the most encouraging signs of Indian progress, and we believe that this movement would be strengthened by increasing the influence of women at elections. Some general idea of the proportion of female to male voters which would probably be attained under the above suggestion may be gathered from the fact deduced from the census, that married women over 25 are about one-half of the number of men over 21. We limit our proposal to wives and widows of 25 because, on practical grounds, we are anxious to avoid introducing at this stage too heavy a proportion of women in the electorate.

Letter No. 1356 dated 8th July 1931, from Chamber to Reforms Officer.

With reference to your letter of the 25th March 1931, No. 24/478, I am directed by the Committee of this Chamber to forward their views hereby.

My Committee are of opinion that the time has come now when adult suffrage should be considered as the goal for the enfranchisement of both men and women in this country. Several public organisations have already put forward adult suffrage as their ideal and goal to be realised in the near future.

My Committee, however, appreciate the difficulty in starting with adult suffrage from the very commencement of the new constitutional reforms, and they, therefore, suggest that for the first election of the Bombay Legislative Council under the new constitutional reforms there should be enfranchised roughly 25% of the population. The Montagu-Chelmsford reforms enfranchised the electorate to a much greater extent than it was before. Even then the percentage of voters to the total population of the Bombay Presidency came roughly to about 3%. The Simon Commission have urged the necessity for increasing the percentage to 10, and the Franchise Sub-committee of the Round Table Conference has recommended that an expert Franchise Commission should be appointed with instructions to provide for the immediate increase of the electorate so as to enfranchise not less than 10% of the total population, and indeed a large number but not more than 25% of the total population. The total population in the Presidency, according to the census of 1921, was about 1·93 lakhs. The last census gives the total population of the Presidency as 2·11 lakhs. If we followed the suggestion of the Franchise Sub-committee to enfranchise 25% of the population, it will practically mean enfranchisement of about 50% of adult population. This accords with the suggestion of my Committee, that the ideal of adult suffrage may be reached in two stages, enfranchising 50 lakhs at the first election, and if the experience is satisfactory, the remaining adult population at the time of the second election. My Committee are of opinion that the qualifying age for a voter should be 21, and they believe that the adult population of this age of both men and women is about 100 lakhs. My Committee consider that any one of the following qualifications should be deemed sufficient for adults, both men and women to be voters for the Bombay Legislative Council election :—

(*a*) Any man or woman of 21 years and above of age, who knows reading or writing, should be deemed to be qualified to be a voter ;

(*b*) Payment of any revenue, rent, or land or house rates, cesses or taxes ;

(*c*) Ownership of a house ;

(*d*) Payment of Income-tax ;

(*e*) Any one who is a retired, pensioned or discharged officer, non-commissioned officer or soldier of His Majesty's regular forces.

My Committee have not got any figures with them to enable them to judge if through the fixing of these qualifications it will be possible to secure the 50 lakhs voters. They, therefore beg to suggest to Government that if through these qualifications the number of voters exceeds 50 lakhs, they may fix a higher limit for qualification, *viz.*, that mere payment of revenue or house rent may not be deemed a qualification, but payment of some amount fixed, as is at present the case, and they be considered to constitute the qualification. The amount may be fixed in such a manner as to get the required number of voters. If, however, even through these qualifications, the number of voters does not come up to 50 lakhs, Government may fix still lower qualifications to qualify a man or woman to be a voter. My Committee, however, think that with regard to the first qualification, *viz.*, literacy, there should be no increase in the standard as they consider that mere literacy should qualify any adult man or woman as a voter.

APPENDIX 80.

Transfer of the Civil Administration of Aden.

Letter No. 5997-C. dated 12th August 1931 from Government of Bombay, Political Department, to Chamber.

With reference to your telegram (Refer Page 77 Summary Report) dated the 8th August 1931 to the address of the Government of Bombay in the General Department, I am direct-

ed to inform you that a copy of the Memorandum on the Civil Administration of Aden was forwarded to the Chamber on the 18th July 1931 and that a second copy of it was sent at your request on the 8th instant for the use of the Committee, who can, if they are so disposed, make a representation to Government regarding the proposed transfer of Aden to the Government of India.

Letter No. 1677 dated 22nd August 1932 from Chamber to Government of Bombay.

I am directed to acknowledge receipt of your letter dated 12th August 1931, No. 5997-G. as also a copy of the Memorandum on the Administration of Aden sent on the 8th instant. A copy of the Press-note giving a summary of the Memorandum was received on the 18th July, and not a copy of the Memorandum. I am directed to sent hereby the views of the Committee of this Chamber regarding the question of the transfer of Aden to the Government of India.

My Committee were surprised at the reply given by the Hon'ble the General Member to an interpellation put recently in the Bombay Legislative Council to the effect that the Administration of Aden would be transferred as soon as possible to the Government of India. A few years back there was a good deal of agitation against the proposal, as it was then made, of transferring Aden to the Colonial Office. Fortunately, this proposal was ultimately turned down, and though the military control was transferred to the War Office, the Civil Administration has continued with the Government of Bombay. There does not appear now to be any valid reason why this administration should be transferred to the Government of India. The Memorandum prepared by the Government of Bombay attempts to make out that there will be probable loss of about Rs 2 lakhs accruing to the Government of Bombay, if Aden continues under their jurisdiction. It is clear that Aden up to now has

not been a cause of any monetary loss. It is observed, however, that certain items which are at present charged to the Government of India will be charged to the Government of Bombay, if they latter continue to administer that Port. My Committee trust that it is not suggested that any district, which threatens to be a source of financial loss, should for that reason alone be separated from the Presidency proper and transferred to the jurisdiction of either the Central Government or any other Provincial Government. If the items of expenditure, which are at present legitimately debited to the Government of India, are to be transferred to the accounts of the Government of Bombay, as a result of their continued responsibility for Aden, it can be claimed that the income, which is at present being derived from the Salt pans by the Government of India, should go to the Government of Bombay, and this will serve to set of any loss that might occur.

My Committee are not aware if the Government of Bombay have in view any other factors which will justify the proposed transfer besides the financial factor. All the factors, so far as my Committee can judge, are rather in favour of continuing the administration of Aden under the Government of Bombay, and not transferring it to the Government of India. The population of Aden consists, to an appreciable extent, of people who have gone from Bombay, and they are all interested in continuing under the jurisdiction of the Government of Bombay, and would not like the idea of Aden being transferred to such a distant Government as the Government of India. It is very likely that Bombay, in common with other Provinces, will be seen in enjoyment of complete Provincial autonomy, and when that time comes, the people of Aden expect that they will derive much benefit regarding their education, medical service and the Police, if Aden is continued to develop on her lines under the Government of Bombay as a part of the Bombay Presidency with whom she has got cultural, trade and industrial relations on a very large extent.

Under these circumstances, my Committee beg to urge with all the emphasis at their command that the Government of Bombay will be pleased not to be a party to the transfer of Aden to the Government of India but to keep it under their jurisdiction.

Letter No. 5997-IV-C. dated 7th November 1931 from Government of Bombay to Chamber.

I am desired to inform you that His Excellency the Viceroy proposes to receive a deputation of persons interested in the question of the transfer of control over Aden to the Government of India, on some date between the 25th of November 1931 and the end of the month. I am to request you in consultation with other bodies interested to suggest a precise date for the deputation by the 18th instant to enable me to communicate the information in time to the Government of India. A list of bodies and individuals who have been addressed is enclosed.

List of bodies and individuals from whom representations have been received in connection with the transfer of Aden.

1. The Indian Merchants' Chamber, Bombay.
2. Mr. Framroze Dinshaw of Aden.
3. The Buyers and Shippers' Chamber, Karachi.
4. Messrs. Cowasjee Dinshaw and Brothers, Bombay.
5. The Aden Chamber of Commerce, Aden.
6. The Council of Imperial Indian Citizenship Association, Bombay.
7. The British Indian Colonial Merchants' Association, Bombay.

8. Sir Hormusjee Cowasjee Dinshaw Kt., M. V. O., O. B. E., Vice-President, British Indian Colonial Merchants' Association, Bombay.

9. The Grain Merchants' Association, 262, Musjid Bunder Road, Bombay.

Letter No. 2342 dated 17th November 1931 from Chamber to Government of Bombay.

With reference to your letter No. 5997. IV-C. of the 7th instant, I have, in consultation with the other bodies mentioned in your letter, to inform you that a deputation of the following gentlemen will wait upon His Excellency the Viceroy on Saturday, the 28th November, 1931. You will please, in consultation with the Government of India, confirm the appointment giving the time and place.

1. Sir Chunilal V. Mehta, K. C. S. I. (Indian Merchants Chamber).

2. Mr. Fakirji Cowasji (Buyers & Shippers Chamber, Karachi).

3. Mr. Kaikobad C. Dinshaw (Messrs. Cowasji Dinshaw Brothers, Bombay).

4. Mr. Gulamali Abdul Hoosein (Aden Chamber of Commerce).

5. Mr. M. Vasi, (Aden Chamber of Commerce).

6. Mr. H. P. Mody, M. L. A. (Imperial Indian Citizenship Association, Bombay).

7. Mr. K. Natarajan, (Imperial Indian Citizenship Association, Bombay).

8. Mr. Jamnadas Dwarkadas (Imperial Indian Citizenship Association, Bombay).

9. Sir Hormusjee Cowasji Dinshaw, Kt., M. V. O., O. B. E.
10. Mr. Hooseinbhoy A. Lalljee.

} British Indian Colonial Merchants' Association, Bombay.

11. Mr. Ratilal M. Gandhi (Grain Merchants' Association, Bombay).
12. Mr. Ratansey Hirji (Grain Merchants' Association, Bombay).

Mr. J. K. Mehta (Secretary).

Representation submitted to H. E. the Viceroy, by the Deputation, led by Sir Chunilal V. Mehta, which waited on His Excellency on 30th November 1931.

Your Excellency,

I have the honour, on behalf of the several organisations which are represented on the deputation, to convey our respectful thanks to Your Excellency for consenting to receive this deputation and thus allowing us an opportunity of personally placing before Your Excellency our views on the proposed transfer of Aden from the Government of Bombay to the Government of India. We are the more assured of a sympathetic hearing from Your Excellency since, as former Governor of Bombay, you possess direct knowledge of the administration of Aden by the Bombay Government. We have no doubt that Your Excellency will not approve without the most overwhelming reasons of depriving the Bombay Presidency of a Port and portion of her territory which she has so long and satisfactorily administered.

It is not the first time in the history of Aden that such a proposal is being made. Not only was the present proposal sudden in as much as the Indian commercial community, which

is chiefly interested, was not consulted before the issue of the Memorandum on the Civil Administration of Aden attached to the reply in Council, but we regret that we fail to find in the memorandum sufficient reasons for at all mooting the proposal. The principal reason given is that the continuance of the control of the Government of Bombay will mean a loss of Rs. 2 to 3 lacs to the Provincial Revenues. I will revert later to the financial aspect, but even if this estimate is correct, we beg to submit, it does not afford any justification for surrendering an important portion of its charge especially when such a course will adversely affect its own mercantile community settled there and also the future of Aden.

Aden, as it is to-day, has been the creation largely of Bombay merchants and industrialists, and Bombay trade and industries are even now the principal factor in the Revenues of Aden. The representatives of this trade and industries feel very strongly that the administration should continue to be in the hands of the Government of Bombay with which Aden has b en connected for nearly a century, even since it came under the control of the British, and they fear that their interests will suffer severely by the proposed change. Aden is already separated by about 1,800 miles from Bombay, and adding to that distance another 1,C00 miles from the seat of administration is certainly not going to be for the benefit of Aden.

It is not our purpose here to refer to or examine the merits of the action taken in 1927, which confirmed the purely temporary arrangements adopted only as a war-measure under the stress of the Great War. These arrangements were originally made in 1917, and 10 years later, the transfer of Military, Administrative, as well as strategic and political control from India to London became a permanently accomplished fact. At the same time the Colonial Office wished to take over the Civil Administration of Aden, and this proposal created a good deal of consternation and resentment both in India and in Aden, where

the Indian merchants constitute an important element of the population. This proposal was ultimately, thanks to the good offices of the Government of India and the then Viceroy, Lord Reading, abandoned, but the Military Administration was transferred to the War Office.

In regard to the financial aspect of the question, we venture to suggest that an examination should be made not only of the allocation as between the Government of India and the Government of Bombay, but also of the contribution properly debitable to the United Kingdom and to India. Your Excellency is aware that the Government of India urged, as early as 1886, the propriety of the expenses of Aden being divided between Great Britain and India. For as long as 14 years after that, this country continued to bear the entire Civil and Military expenditure. In 1895 the Welby Commission was appointed to examine the question, and as a result of the Commission's recommendations, His Majesty's Government made from 1901 a net annual contribution of £72,000/- to Indian Revenues towards the Military charges of Aden. As a result of the transfer, originally made as a war-measure, in 1917 of the Military control of Aden to Great Britain, the contribution of the Government of India has been fixed at £250,000/- per annum for the first three years, to be reduced thereafter to £150,000/- or a third of the total cost whichever may be less. We, of course, are not aware of the grounds on which this allocation was arrived at, and we venture to suggest that in order to satisfy Indian opinion as to the equity of this contribution a Commission on which Indians are adequately represented might be appointed to examine the question. In view of the fact that the examination was made so long ago as in 1895, it would not be unreasonable to suggest that since conditions of control have completely altered, the question should be examined afresh. We are not in a position to give at the present moment our detailed view on the figures of revenue and expenditure as

presented in the memorandum, as we have not yet received the information regarding the accounts we have asked for. We would only like to say in this connection that the expenditure on Aden of the Central Government is bound to show a considerable increase, if control is transferred from the Bombay Government and if, as is suggested, Aden is turned into a chief Commissionership.

As regards the allocation between the Provincial and Central Governments, the memorandum suggests that although at present there is a small Provincial surplus, the propreity of debiting to the Central Government items of expenditure, which are really provincial in nature, is under consideration. In the absence of fuller information, we regret that we are not in a position to deal with the correctness of certain adjustments that may be suggested. For example, it would have to be examined how far the expenditure on items contained in the memorandum such as education, medical, public health and general administration, are incurred for the benefit of officers belonging to the Central Government or to the Provincial Government or for the benefit of the Military. It will also be necessary to determine to what extent the expenditure on Police is justly debitable to Provincial Revenues in so far as it is required solely for the purposes of Civil Administration. We have given the most careful attention to all the points made in the memorandum issued by the Government of Bombay, and we are constrained to say that no case has been made out for giving up the control of Aden. All that they indicate is, in our opinion, the necessity for an independent examination of the financial liabilities which ought justly to attach to all the interests concerned in Aden. We do not know how far this has been made by the Government of Bombay, but we feel certain that it ought to be made by an independent Commission of the nature indicated before. We feel sure that the Government of Bombay has not given enough consideration to the very strong feeling that exists in

the Indian mercantile community in Bombay against any disruption of the long historical association, which is bound to affect adversely its commercial and other interests, nor are we aware of any attempts made by the Government of Bombay to put forward proposals for making up the deficits, if any, that may ultimately, legitimately arise.

Aden upto now has got practically next to nothing of Local Self-Government and its Port Trust and its Municipality have got little of the popular element on them. Looking to the act that Provincial autonomy will be a *sine qua non* of Constitutional Reforms in the near future, both its Municipal and its Port Trust Administrations are naturally expected to be constituted on a broader popular basis. It is also expected that the administration by a popularly constituted Government in Bombay will mean a great deal for the progress and development of trade and industries of Aden.

The question involves a principle of great importance to Indians as citizens of the British Commonwealth. In South Africa, in East Africa and elsewhere, the Indian people have to struggle hard to maintain their rights, acquired by services rendered in developing and otherwise promoting the prosperity of the countries concerned. It is to be hoped that no occasion for such a struggle will arise in Aden. Bombay merchants have taken a prominent share in the development of Aden mainly because of its century-old connection with their Presidency, and the assurance which it provided that their interests will be protected and promoted by the Government of their own Province to which they had the readiest access and which was intimately acquainted with their wants and wishes. They are entitled, to put at the lowest, to be consulted, when it is proposed to bring about a revolutionary change in this arrangement which, on the whole, has worked satisfactorily. They have seen nothing so far in the published papers to show that

in proposing a change in the Administration of Aden their point of view has been taken into account.

I confess that I cannot disguise our underlying fear, that the present proposal is really a first step in the direction of depriving India of the administration of a territory, which is of great strategic and political importance to Great Britain. Already the Military portion of the administration has been taken over. While we do not see that any case has been made out for the transfer of Aden to the Government of India, we earnestly request Your Excellency to give a specific Assurance on behalf of His Majesty's Government that under no circumstances will the administration of Aden be taken away either from the Provincial or the Central Government in India, without the willing consent of the people of India. It would be very desirable to make clear the ultimate intentions of the British Government at a time when discussions are in progress for formulating a scheme for enabling this country to manage her own affairs.

Under all these circumstances, Your Excellency's deputationists urge Your Excellency, respectfully, to be pleased to veto the proposed change formulated for the transfer of Aden, and to order that the Administration of Aden will continue to be with the Government of Bombay.

PRESS NOTE.

Re: Aden Deputation.

His Excellency the Viceroy received on the 30th November a deputation consisting of the following gentlemen who desired, on behalf of the several organisations which they represented, to have an opportunity of personally placing before His Excellency the views of those bodies on the proposed transfer

of the Civil Administration of Aden from the Government of Bombay to the Government of India :—

1. Sir Chunilal V. Mehta, K. C. S. I. (Indian Merchants' Chamber.)
2. Mr. Fakirji Cowasji (Buyers and Shippers Chamber, Karachi.)
3. Mr. Kaikobad C. Dinshaw (Messrs. Cowasji Dinshaw Brothers, Bombay.)
4. Mr. Gulamali Abdul Hoosein (Aden Chamber of Commerce.)
5. Mr. M. Vasi (Aden Chamber of Commerce.)
6. Mr. K. Natarajan (Imperial Indian Citizenship Association, Bombay.)
7. Mr. Jamnadas Dwarkadas (Imperial Indian Citizenship Association, Bombay.)
8. Sir Hormusji Cowasji Dinshaw, Kt., M. V. O., O. B. E. (British Indian Colonial Merchants' Association, Bombay.)
9. Mr. Hooseinbhoy A. Lalljee (British Indian Colonial Merchants' Association, Bombay.)
10. Mr. Ratilal M. Gandhi (Grain Merchants' Association, Bombay.)

Mr. J. K. Mehta (Secretary).

The Deputation was led by Sir Chunilal V. Mehta (Indian Merchants' Chamber.) After Sir Chunilal Mehta had read out a written address on behalf of the Deputation, His Excellency invited members of the Deputation to put forward any other points which they might wish to urge, an invitation to which Sir Chunilal Mehta, Mr. Hooseinbhoy A. Lalljee, Mr. Natarajan, Mr. Jamnadas, Mr. Fakirji and Mr. Gandhi responded.

The main arguments against the projected change submitted by the Deputation were as follows :—

(1) Bombay Merchants had taken a prominent share in the development of Aden during its century-old connection with their Presidency, and highly valued the assurance which is provided that their interests would be protected and promoted by the Government of their own Province to which they had the readiest access, and which intimately acquainted with their wants and wishes. They were entitled to be consulted in bringing about a revolutionary change in existing arrangement which had worked satisfactorily for so long. They had seen nothing in the published papers to show that their point of view had been taken into account, or which convinced them of any real need for change.

(2) Aden hitherto had not participated in the advance towards self-government. The public were looking forward to the Municipality and the Port Trust being constituted on a broader popular basis on the introduction of provincial autonomy. There was also an expectation that a popularly constituted Government in Bombay would mean a great deal for progress and development of trade and industries of Aden.

(3) The financial argument that the continuance of control by the Bombay Government would mean a loss of Rs. 2 to 3 lakhs to Provincial Revenues was disputed. The Deputation was not aware of attempts made by the Bombay Government for making up the deficits that may legitimately arise ultimately.

(4) The Deputation suggested that the whole question of the annual contribution by the Government of India to His Majesty's Government towards political and military expenditure at Aden amounting to £ 250,000/- per annum for three years from the 1st April 1927 and thereafter £150,000/-, or one-third of the actual expenditure whichever might be less should be

subjected to independent examination by a Commission on which Indians were adequately represented. The incidence of expenditure between the Bombay Government and the Government of India might also be similarly examined. (They felt that items like revenue from the salt lands (which was in the nature of land revenue) and the additional expenditure on police which, if they were rightly credited and debited, would not show loss to provincial revenues. In any case the deputation urged that the fact of a deficit was no ground for transfer of control and instanced the question of Sind, and also the North West Frontier Province where Government of India proposed to make very substantial subventions.)

(5) The Deputation asked whether the present proposal was not really a first step towards the separation of Aden from India and its relegation to the sole charge of the Colonial Office. The Deputation referred to the struggle which Indians had in South Africa, East Africa and elsewhere to maintain their rights acquired by developing and promoting the prosperity of those countries; they hoped that no occasion for any such struggle would arise in Aden, and earnestly requested His Excellency to give a specific assurance of, behalf of His Majesty's Government that under no circumstances would the Administration of Aden be taken away either from the Provincial or the Central Government on India without the willing consent of the people of India. (In reply to a remark of His Excellency that though he sympathised with the sentiment underlying the protest against the transfer of Aden to the Government of India he wanted to know the practical difficulties of the people of Aden if it was so transferred, it was pointed out that apart from the very practical difficulties of delay and expense in dealing with the distant Government of India, there was real danger of Aden, questions being crowded out in the Assembly especially at the time of the budget

and it was doubtful if other provinces would take the same interest in them.)

2. At His Excellency's desire, Mr. Howell, Foreign Secretary to the Government of India, replied to the Deputation and stated the case from the Government point of view. He strongly refuted the belief that the Government of India had made up their minds on the question of transfer without consulting public opinion. The main object of the statements made recently on the floor of the Bombay Legislative Council and the Legislative Assembly was to elicit public opinion, and the Government of India had at present under consideration a number of memorials on the subject. His Excellency's willingness to receive the Deputation showed the Government of India's readiness to hear the other side before reaching a final decision. The Government of India repudiated the suggestion that they had made the financial consideration the main one. They had other and more important considerations. As a nodal point in the Empire, Aden required a high standard of administration and although the Bombay Government had always done its best to Aden, it had not always been in a position to give all the help that was required. The Government of India consequently had to incur expenditure on several administrative activities in consequence of this position. The division between Provincial and Central spheres of activity rendered the position extremely difficult. He instanced the existing difficulties of procuring sanction from three different authorities for certain classes of expenditure for example, police, and assured the Deputation that the present proposals were made solely with a view to removing administrative inconveniences.

3. On the question of the contribution by the Government of India to His Majesty's Government, towards the cost of political and military control, Mr. Howell after explaining the

arrangements in force during and after the war, stated that the present arrangement was reached in 1927, after long negotiations, and had saved India annually an expenditure of Rs. 18 to 19 lakhs per annum from the 1st of April 1927 and of at least Rs. 32 lakhs from the 1st of April 1930. Expert opinion was that the present arrangements were profitable from the point of view of the Government of India and it would be useless to re-open the question.

4. Mr. Howell assured the Deputation that there was no reason why Indian interests in Aden should suffer because of the transfer to the Government of India. He denied that there was any foundation for the apprehension that the policy in regard to salt works might be changed for the worse or that Aden which is now a free port might become subject to tariffs. There was also no reason why the Bombay High Court jurisdiction should not be continued even after Aden had been taken over under the control of the Government of India.

5. As regards apprehensions that the proposed transfer was only a step towards transfer of control to the Colonial Government, Mr. Howell made it clear that the present proposals were made solely with a view to improving the conditions and making an end of administrative inconveniences at Aden. The proposals were complete in themselves and were made on their own merits without afterthought or ulterior motives of any kind. They were not a step towards any other change. If the question of transfer to His Majesty's Government should arise again in future, it would have to be considered on its merits and would be rendered in no way either easier or more difficult by the change now proposed. No one could say that the question would never be raised again, but the Deputation was assured that the present transfer had not that end in view. If the proposal to transfer to His Majesty's Government were raised again, Mr. Howell made it clear that the Government of

India were bound by past assurances that full opportunities for discussion would be given.

6. After the statement by Mr. Howell, His Excellency assured that the Deputation that his interest in Bombay and Aden was as great now as Viceroy of India as it was when he was Governor of that Presidency. He fully appreciated the sentimental side of the question and the concern of the Deputation on that score to remain associated with the Bombay Government but looking at the problem from a purely practical point, he said that the Government of India were in a better position to improve Aden if they had direct charge of it than if they had to work through the agency of another Government. His Excellency emphatically endorsed the Foreign Secretary's Statement regarding the transfer to the Colonial Office that no such suggestion had been considered and undertook that should it arise in future all interests concerned would be consulted. The transfer now proposed would make no difference to the commercial relations of Aden with Bombay, and in his opinion as at present advised it seemed the wiser course alround.

7. After hearing the Foreign Secretary and His Excellency, the leader of the Deputation expressed his gratitude for the assurance given by His Excellency that the present transfer was not intended as a step to the Colonial Office and that should the question ever arise opportunities for consultation would be given. (In this connection he referred to the speech of the Hon'ble Mr. Pratt in the Council of State in September 1921.) He complained of a recent disallowance (at the instance of the Bombay Government) of an adjournment motion regarding Aden. (He also read the speech of Sir Ernest Hotson in 1927 before the Bombay Council showing how a most important decision in regard to Aden was taken by the Government of India without even informing the Bombay Government.). He was anxious that this sort of things

should not happen again and that a real opportunity for discussion should be allowed if the problem of transfer to the Colonial Office arose. (Sir Chunilal feared that the Deputation was not convinced of the administrative difficulties pointed out, and in reply to the point that the Government were undertaking certain expenditure, as they regarded Aden as a nodal point in the Empire, Sir Chunilal suggested that if the Government of India took the view that certain aspects of the Administration of Aden fell with their sphere as controlling foreign relations, it was proper that they should bear the cost and that even with regard to these aspects a solution might be found by the Government of India earmarking or asking the Bombay Government to earmark such expenditure as they thought necessary on items which may be regarded as falling within their sphere. Further, he feared that the change would involve a greatly increased expenditure to the Government of India and to the country though he was not in a position to say how much it might be. The difficulties of the Bombay merchants regarding the transfer to the Government of India were not merely sentimental but distinctly practical and he hoped that the strong feeling which the Deputation still held that Aden should not be transferred would be given due regard by His Excellency the Viceroy before coming to a final decision.)

8. The Deputation then after thanking His Excellency withdrew.

APPENDIX 81.

Delay in the Supply of Government publications.

(VIDE P. P. 724 ANNUAL REPORT FOR 1930.)

Letter No. 330 dated 12th February, 1931, from Chamber to Government of India Department of Industries and Labour.

With reference to the concluding paragraph of your letter No. 575 dated 12th January the name of the indentor referred to

therein is Mr. Manu Subedar, Bombay. I may, however, add that the letter from the Central Publication Branch to him was dated 29th September and not 27th September as stated in your letter.

No. A575 dated 9th June.
From Government of India to Chamber.

With reference to your letter dated the 12th February 1931, I am directed to say that an enquiry has now been made into the delay which occurred in the supply of the Tariff Board's Report on Salt to Mr. Manu Subedar. The Manager of the Central Publication Branch states that Mr. Subedar's letter dated the 29th August 1930 referred to in your letter dated the 13th October 1930 was not received by him. The first communication from Mr. Subedar dated 25th September 1930 was received in the Central Publication Branch on the 29th September 1930 *i. e.*, during the Durga and Lakshmi Puja holidays. As immediate compliance was not possible, Mr. Subedar was informed that the publications would be despatched on the opening of the office on the 9th October 1930. The indent was actually complied with on the 14th October 1930 and the delay of 5 days was due to the fact that the staff of the Branch was busy in stock-taking and there was a heavy congestion of work.

APPENDIX 82.

Issue of Laissez Passer.

Letter No. 908 dated 12th May 1931 from Chamber to Government of India, Department of Commerce.

Mr. D. S. Erulker, President of the Indian Chamber of Commerce in Great Britain, London, wanted to go to Geneva from London on the 14th January last to attend the II Session of the Governing Body of the International Labour Office as a representative of the Federation of Indian Chambers of

Commerce as substitute for Mr. Gimmell of South Africa. He applied to the High Commissioner for India in London to help him to obtain a Laissez Passer to facilitate his journey there. In reply to this request the Private Secretary to the High Commissioner intimated him that it was not possible for him to do anything in the matter. While thus no assistance was extended by the High Commissioner for India, the High Commissioner for South Africa, when approached by Mr. Erulkar in this connection, readily helped him to procure the Laissez Passer through the Foreign Office.

The diplomatic visa is very well-known in Europe, and the representatives attending International Conferences are provided with this by their respective Governments. The request made by Mr. Erulkar to the High Commissioner for India was not at all out of the way and could well have been granted as a matter of course. My Committee would feel obliged if Government will be pleased to ascertain as to what difficulties stood in the way of the High Commissioner for India giving Mr. Erulkar the necessary assistance, an assistance which was so very readily rendered by the High Commissioner for South Africa. They would also suggest that arrangements should be made that henceforward it should be easy for such Laissez Passers being made available to representatives from India attending International gatherings, so that they may not experience any difficulty on the travel. A diplomatic visa also confers certain status and ensures the representatives against needless inconveniences and annoyance.

Letter No. L 835 dated 29th July 1931 from Government to Chamber.

"With reference to your letter No. 908 dated the 12th May 1931, I am directed to inform you that the Government of India have received from the High Commissioner a full statement of what occurred. The suggestion in your letter is that while the High Commissioner is prepared to take steps to

obtain *Laissez Passer* for any officials of the High Commissioner's Office who may be proceeding to Geneva yet he is unwilling to take any action on behalf of non-officials. This suggestion is wholly without foundation. In the particular case in question the Private Secretary to the High Commissioner received an enquiry by telephone whether *Laissez Passer* could be obtained on behalf of Mr. Erulkar, Chairman of the Indian Chamber of Commerce in Great Britain. This was the first and only intimation received that Mr. Erulkar was proceeding to Geneva, and the Private Secretary accordingly enquired in what capacity he was to go. From the reply it appeared that Mr. Erulkar was to serve as a substitute for Mr. Gemmill, the South African Representative on the Employers' Group of the Governing Body and there was no suggestion that he was in any way representing Indian interests. In consequence a reply was given stating the office to which Mr. Erulkar should apply for a *Laissez Passer*.

It was not till after the session at Geneva was over that it was made clear for the first time in the letter from the Indian Chamber of Commerce that Mr. Erulkar claimed to be the nominee of the Federation of Indian Chambers of Commerce. The High Commissioner had no reason to know that Mr. Erulkar was visiting Geneva in any representative Indian capacity, and your Chamber will agree that had Mr. Erulkar desired to claim such status, he should, as a matter both of courtesy and of ordinary business procedure, have formally submitted his credentials to the High Commissioner in time. Moreover I am to point out that Indian representation at the League of Nations and the International Labour Organisation is arranged either by the Government of India direct or by the Secretary of State, and that the India Office makes all subsidiary arrangements such as the grant of *Laissez Passer* and the like. It is understood that the Indian Chamber of Commerce have since received a notice from the India Office that

requests for *Laissez Passer* for non-official Indian delegates to International Conferences should be addressed to the India Office and not to the High Commissioner for India.

In view of the statement of the actual facts, your Chamber will doubtless realise that had it not been for the incomplete information which was given to the High Commissioner in the first instance no trouble would have arisen. At the same time I am to express regret that the Indian Chamber of Commerce in Great Britain should have adopted such an intemperate and discourteous tone in their letters to the High Commissioner."

APPENDIX 83.

Appointment of a non-Indian Principal to the V. J. T. Institute.

No. 790 dated 23rd April 1931 from Chamber to the Chairman and Members of the Board of Management of the V. J. T. Institute.

The attention of the Committee of this Chamber has been drawn to the vacancy that recently occurred in the post of Principal of the V. J. T. Institute. This is the only institution of its kind not only in this Presidency but perhaps in the whole of India, and as such every care should be taken that it is run on efficient, sound and national lines. My Committee have been taking interest in the working of this Institute and it was at their instance that their representative in the Bombay Municipal Corporation moved a resolution in one of the meetings of the Corporation to the effect that

> "The Corporation recommend to the Government of Bombay that a Committee with an Indian Chairman and a majority of non-official Indians be appointed to enquire into the present working of the Victoria Jubilee Technical Institute and to make recommendations regarding its future working, and that the President be

requested to communicate the resolution to Government." My Committee feel that some efforts have been made as a result of this resolution and also of their letter dated 14th October 1929 to the Government of Bombay, to effect improvements in the general administration of the Institute.

Such Institutions, in the opinion of my Committee should have always at their head capable and qualified Indians. There is a large number of Indians with the highest qualifications capable of bearing the responsibility of Principalship of such an Institute, and my Committee expected that your Board would take advantage of the vacancy created recently to appoint a qualified Indian. Unfortunately, my Committee learn that the vacancy has been filled up already by a non-Indian from among the staff of the Institute who, the Committee understand, had no particular claim to the post. My Committee strongly protest against such an appointment if it has been made. The proper course would have been for the Board of Management to advertise in the public press and to invite applications for such a responsible post. My Committee beg, therefore, to request you to be good enough to reconsider your decision, if it has already been taken, in the matter of appointment of a non-Indian as Principal, and to appoint a suitable Indian as Principal after inviting applications for the post. If, however, your Board have not taken any such decision, you will kindly invite applications by advertisement and appoint an Indian Principal. Looking to the fact that the course proposed by my Committee is in keeping with the policy of Government and the general spirit of the times, they hope that their suggestion will be accepted.

No. 56 dated 22nd June from the Chairman of the Institute to Chamber.

I beg to acknowledge receipt of your letter No. 790 of 23rd April 1931, which was duly placed before the

meeting of the Board of Trustees of the V. J. Technical Institute.

The Board of Trustees are glad to note that your Committee feel that this is the only institution of its kind not only in this Presidency but perhaps in the whole of India and as such should be run on efficient sound and national lines and that your Committee has been taking interest in the working of the Institute.

The Board also desire me to say that they trust your Committee will always continue to take interest in the working of this Institute and will kindly accord some financial help to this Institution which it needs so much and that they will also be good enough to use their great influence and impress upon the Municipal Corporation, the Millowners' Associations of Bombay and Ahmedabad and other Commercial and Industrial bodies to extend some financial help to this institution.

As regards the appointment of the Principal it is necessary to explain how the appointment of a Principal is usually made. There are at present five principal Departments of the Institute, *viz* :—

1. The Electrical Engineering,
2. The Mechanical Engineering,
3. The Textile Manufacture,
4. The Technical and Applied Chemistry, and
5. The Sanitary Engineering and Plumbing.

The pay of the Head of each of the Departments is Rs. 700/- rising to Rs. 1,000/- p. m.

From amongst the Heads of any of these five important Departments, one who is a senior and a fully qualified man and who is fit for, and with experience of, administrative work is, usually appointed also the Principal of the Institute and the pay given to such a gentleman for his appointment as a Principal is Rs. 250/- rising to Rs. 500/-.

On the death of Mr. A. J. Turner, who was the Head of the Technical and Applied Chemistry Department and who was likewise appointed Principal of the Institute, a fully qualified gentleman having also good administrative experience and who had acted as Principal when Mr. A. J. Turner was on leave for 14 months and who has been connected with the Institute for a period of 10 years, the whole of his service in the Institute being in the capacity of a Departmental Head, was appointed the Principal.

For making the appointment of a permanent Principal of the Institute the question for consideration before the Trustees was whether they should advertise for a Principal who should also hold the post of the Head of the Chemistry Department or for a gentleman who should hold the post of the Head of the Chemistry Department only; in the meantime one of the senior Departmental Heads who had previously acted as Principal put in his claim for the Principalship, and the Deputy Head of the Chemistry Department Mr. Mody, the Senior Assistant Mr. Chhayya and the Junior Assistant Mr. Koppikar also expressed a desire that they should be respectively promoted on the three grounds that they were Indians, that they were duly qualified and that they had been in the service of the Institute for many years.

It was therefore decided by the Trustees that in fairness to all those who were in the service for many years, a chance should be given to them to prove their ability and accordingly Mr. Mody the Dy. Head was made the Head of the Chemistry Department; Mr. Chhayya was made the Dy. Head and Mr. Koppikar was made the Senior Assistant for a period of one year (probation) and the post of Junior Assistant has been advertised; likewise Dr. G. W. Burley, D. Sc. (Eng.), M. I. Mech. E., Wh. Ex., M. A. S. Mech. E., M. I. E. (India), M. R. S. T., the fully qualified Head of the Mechanical Engineering Department with the highest academical qualifications and who

was one of the most senior Departmental Heads and the Head of one of the most important Departments of the Institute was appointed Principal for a period of one year (probation).

It will therefore be seen that in making these appointment due consideration has been given to the matter and also an opportunity has been provided to our staff to show their usefulness. Further it was of no use advertising the post of a Principal only as we could not expect to get a highly qualified and competent man, who could be the Head over Heads of the five important departments on a salary of Rs. 250/- rising to Rs. 500/- when as stated above the Heads of the Departments are fully qualified persons and are paid Rs. 700/- rising to Rs. 1,000/-.

Your Committee will also find from the above that Dr. G. W. Burley, who possesses very high qualifications and as the Head of the most important department for 10 years and as one who had acted as Principal, was not appointed to the post of Principal without any claim to the post.

I should like to point out that we had this year nearly 600 applications for admission to the various departments of the Institute. Of these 551 were present for the Entrance Examination of whom 309 passed but only 160 could be admitted because I am sorry to say, we have neither sufficient apparatus nor machinery for the efficient instruction of a larger number of students. If we are provided with funds I feel certain a greater number of our young men would have been able to take advantage of the facilities offered by this useful Institute. I hope this fact will be seriously considered by your Committee.

Need I assure your Committee that the Board of Trustees will always welcome suggestions from bodies like yours, from the Municipal Corporation and the Millowners' Associations,

and they look to them for that help which they need so much and for which they feel they are not required to impress on bodies like that of yours and those mentioned above.

APPENDIX 84.

BOMBAY PORT TRUST.

Appointment of an Indian Chairman.

No. 2300 dated 12th November 1931, from Chamber to Government of Bombay, Political Department.

" I am directed to address this letter to you by the Committee of this Chamber with regard to the question of the appointment of the Chairman of the Bombay Port Trust.

My Committee and their representatives on the Port Trust have been urging for a long time that the Chairman of the Bombay Port Trust should be an Indian preferably possessing financial and commercial experience. They addressed a representation in 1925, requesting that an Indian be appointed Chairman of the Port Trust. Last year, my Committee addressed a letter to the Government of Bombay on the subject. In reply Government wrote that the suggestion of my Committee would be duly considered at the proper time. The question was considered at a meeting of the Trustees of the Port of Bombay in October 1930, and my Committee understand that the representatives of this Chamber protested against the proviso added by Government, to their letter sanctioning the extension of the service of Mr. Neilson for one further year, to the effect that Mr. Sharpe, Deputy Chairman of the Bombay Port Trust, would be appointed Chairman on Mr. Neilson's retirement, in 1932. Mr. Neilson's extended term of office is coming to an end shortly, and my Committee feel that the time has come now when the Government of Bombay should consider all their

previous suggestions, regarding the appointment of an Indian as Chairman of the Bombay Port Trust. They are afraid, however, from what information they have got, that Government are already contemplating the appointment of Mr. Sharpe, the present Deputy Chairman, as Chairman of the Bombay Port Trust, when Mr. Neilson retires. My Committee may be allowed to remind Government that so far back as 1926 they had protested against the appointment of Mr. Sharpe, as Deputy Chairman, on the ground that the appointment was unnecessary, and was against the principles of retrenchment, which the Trust was then carrying on. Government have accepted the principle of Indianisation, and my Committee regret that, though repeated requests have been made to them regarding the appointment of an Indian as Chairman of such an important body, as the Bombay Port Trust, all such requests and suggestions have been treated with indifference. My Committee beg again, therefore, to urge emphatically that the Government of Bombay will be pleased to take advantage of the retirement of Mr. Neilson to appoint a suitable Indian to the post. My Committee understand that Mr. Sharpe, Deputy Chairman, is due to retire in a short while, and they take this opportunity to suggest strongly that an Indian should be appointed even to this post, if the post is at all to be retained."

No. 6565—E dated 2nd December 1931, from Government of Bombay to Chamber.

With reference to your letter No. 2300, dated the 12th/13th November 1931, on the subject mentioned above, I am directed by the Governor in Council to say that the question of appointing a successor to Mr. W. H. Neilson, O.B.E., Chairman Bombay Port Trust, has been fully considered by Government from the points of view of personal suitability for the appointment and of economy in establishment charges, which in the present state of Trade is of vital importance, and that they have decided to appoint Mr. W. R. S. Sharpe as Chairman.

APPENDIX 85.

Emigration Certificates from Bombay to Aden.

No. 2154 dated 29th October 1931, from Chamber to the Protector of Emigrants.

My Committee are informed that passengers from Bombay proceeding to Aden are required to get a permit from your office. Aden is under the jurisdiction of the Government of Bombay, and my Committee fail to understand why an emigration certificate should be required for passengers proceeding there from Bombay. My Committee will be glad if you will kindly furnish them for their information the relevant rules necessitating such permit, and also the procedure to be formally followed in obtaining the same.

Letter No. 344 dated 17th November, from the Protector of Emigrants to Chamber.

With reference to your letter No. 2154, dated the 29th ultimo, I have the honour to state that at present all deck passengers proceeding to Aden, Abyssinia, Adisababa, Hodida, D'Jibouti, Masowa, etc., are directed by the steamship companies to this office for obtaining certificates under Section 4 (F) of the Indian Emigration Act before tickets are issued to them. These certificates are granted to the passengers only on production of satisfactory proof to the effect that they are not emigrants within the meaning of the Indian Emigration Act. Those who are found to be emigrants are made to fulfil the provisions of the Indian Emigration Act by paying a security deposit and entering into an agreement on the lines approved by Government before they proceed abroad.

The Indian Emigration Act does not apply to persons only proceeding to Aden and Perim Islands for employment (as Aden and Perim Islands form part of British India) but should their services be liable to transfer from Aden to any other country

out of British India even beyond Shikh Othaman (which is in Aden) which lies outside British India; they as well as persons recruited for service in Aden Railway must be registered in this office under the Indian Emigration Act.

All persons proceeding to Abyssinia, Hodida, D'Jibouti, Macalla, Masowa, Somaliland, etc., are required to proceed *via* Aden.

Although the Indian Emigration Act does not apply to persons proceeding to Aden and Perim Islands, it will be observed from the paragraphs above that unless they are examined and granted certificates as done at present, it will not be possible to enforce the provisions of the Indian Emigration Act to the persons proceeding to the ports mentioned above.

APPENDIX 86.

Speeches at Quarterly General Meetings.

(*Note:*—There were no set speeches at the 1st and 3rd Quarterly General Meetings.)

Speech of Sir Chunilal V. Mehta, K. C. S. I., President of the Indian Merchants' Chamber, Bombay, at the Second Quarterly General Meeting of the Chamber, held on Saturday, the 25th July, 1931.

I did not think it necessary to make a speech at the First Quarterly Meeting, as the work done by your Committee has been regularly sent to all the members of the Chamber. In view, however, of the many important events that have occurred and of the prospects before us some of my friends on the Committee think it desirable that I should speak at the Second Quarterly Meeting. In deference to their wishes, I propose to deal with some salient matters which will concern the commercial community.

Before I proceed further with my speech, I wish to give expression to the horror of the Mercantile Community at the

disgraceful attempt that has been made upon the life of the Acting Governor, Sir Earnest Hotson. I congratulate him on his miraculous escape, and whole heartedly condemn the resort to violence. Not only India's salvation does not lie along that road, but outrages of this kind are a degradation to India's culture.

The one question which engrosses the attention of practically the whole world at present is the severe economic depression which has settled upon the world, and from which there would appear as yet no avenue of escape. There is no country which is free from its devastating effects, and some of the best brains of the world have employed themselves on thinking out remedies for the present situation. Unemployment figures in the European countries, and even in the United States of America, show no signs of decrease, and trade and industry are growing from bad to worse, with the consequent economic and political unsettlement for the respective states. Nor has this country been more fortunate. Her agriculture, trade and industries have suffered from the same world-wide drop in prices, and so far as unemployment is concerned there are no statistics, but everyone knows how almost every business has had to curtail its activities to disband its staff and to reduce wages. Such an economic upheaval must have wide repercussions on the political conditions of all countries and India cannot be an exception. We have seen the threatened repudiation of liabilities in Australia. The plight of Germany and of her finance was even more desperate. The richest country in the world with nearly half of the world's gold supply in its possession was forced to the conclusion, that even the creditor nation cannot prosper if the debtor nation is completely ruined, and President Hoover had to come out with his proposal for a moratorium. President Hoover's statement was welcomed, even though it meant not by any means a cure but only an economic respite for

countries groaning under the war debts which had their burdens intensified by the world depression and fall in prices. Unfortunately it is apt to be forgotten that the strength of a chain depends upon its weakest link, and that in matters of commerce and finance, if not in politics, the great countries must think internationally. A weak Germany or, for the matter of that, a weak India, is a permanent handicap against the restoration of normal conditions, and so long as fairly normal conditions are not restored, it will not be one or two countries which will be the sufferers, but all the principal countries of the world, including those which are priding themselves upon having the best banking and industrial systems.

The British Prime Minister's statement was perhaps intended to be to India what President Hoover's statement was to the world in general and to Germany in particular. While we appreciated the spirit, which actuated the statement, we felt that it was couched in vague terms, and the subsequent elaborations did not succeed in removing the vagueness. While there could be no desire, of course, to look a gift horse in its mouth, the Committee naturally desired that a clear interpretation should be vouchsafed to reassure India regarding the terms and conditions of the assistance employed in the announcement. Your Committee addressed a telegram to H. E. the Viceroy, giving expression to their difficulties with regard to the exact interpretation which could be placed upon the Premier's statement. While we agree, and no one can have greater cause to do so than ourselves, that the present financial and economic position of India is as bad as it can be, and needs radical improvement, we believe that the financial credit of this country is yet intrinsically sound. We would certainly welcome any steps that may be taken in right spirit to improve the economic and financial position of our country, but if those

steps contemplate opening of gold credits or, as some would fear, a new sterling loan with British guarantee, these would scarcely alleviate the position, and would indeed add a further burden. Many feel that the only object of the announcement was to artificially prop up a tottering and discredited ratio. I do not wish to reiterate the position, which this Chamber has consistently taken and which events have so far fully justified. I will only content myself with making the following quotation from a very recent issue of the 'Statist'. In view of the weight that is attached to the considered opinion of so authoritative a journal, I will make no apology for its length:—"The exchange position which was difficult and artificial in 1927 has now become critical. In many respects the present difficulties are similar to those of 1920, when defensive operations amounted to sales of £55 millions Reverse Councils which, proving ineffective, the rate was wisely allowed to find its own economic level. The new parity has been defended by all the means at Government's disposal, but they are clearly approaching the end of their resistence power. The last sterling loan's fate has effectively closed the door to further sterling borrowing. By next year the short-sighted policy of short borrowing will begin to recoil on instigators. Important maturities will have to be met. Given the decision to defend the 18d. ratio at all costs, the British Government's intervention will be necessary and inevitable. A blank cheque will have to be signed to defend the palpably uneconomic and artificial rate when more constructive purposes require those resources but there is no guarantee that the present maladjustment will be remedied and that British help will not be thrown down a bottomless pit like that already expended... ... ...
May we plead once more that before too much damage is done, Indian authorities should take to heart the lessons of experience and review the whole present exchange problem

in the light of the very similar conditions which obtained in 1920."

There was great anxiety as to the way in which the truce terms were being implemented and the effect it would have upon Mahatma Gandhi's decision to attend the Round Table Conference. From the information available to the public as to the result of Mahatma Gandhi's and Pandit Jawaharlal's conversations in Simla it would appear that no final conclusions have been reached, though Mahatma Gandhi will not be prevented from going to England. It would be a calamity indeed if he did not go and put the country's case in London as India's Ambassador.

Your Committee had commissioned me to move the Government of India, through the Federation, for six representatives of Indian commerce at the Round Table Conference. I regret to say that, in spite of the best efforts of the Federation, only half of that number has been allowed. Looking to the vastness of the interests at stake, and to the fact that the main problems that will create controversy would be questions of finance and commerce, it would have been only fair if the proper representation that has been asked for had been allowed. In view of the strong feeling that exists let us hope that Government will still see their way to give more adequate representation.

While on the subject of the Round Table Conference representatives, I cannot help referring to the report, which I hope is untrue, that Government intend to omit all Nationalist Muslims from the list of nominees, which would be both unfortunate and unfair, if that were so. Already they have been excluded from the Federal Structure Committee, but there is yet time to correct the mistake. We have been told over and over again that there is no question of deciding by vote at the Round Table Conference, and that it is essential that the

Conference should be fully representative of all points of view. Surely on the most important and burning question of Hindu-Muslim rights, it would be most unjust if a section of the Muslim community, important and influential as it is, should not be allowed to give expression to its views in the same way as sections of Hindus have been asked to do in the Conference.

The Chamber was anxious for fuller representation at the Round Table Conference, because it is more than likely that the *piece de resistance* will be financial safeguards and the power to discriminate, matters peculiarly within the domain of this Chamber and of particular interest to the commercial community. With regard to the former, the Chamber has already expressed its opinion, that, while every consideration will be given to maintain the soundness of the credit of the country, the safeguards must not be such as cannot definitely be shown to be in India's interest, or would derogate from India's authority and status. The other has caused the greatest amount of discussion and disquiet, *viz.*, Clause 14 of the Minority Sub-Committee Report. There has been much dispute as to the exact implications of the words "generally agreed" in that clause among even the supporters of that clause, both Indian and British. Some Europeans, who declare their genuine desire to help Indians in their legitimate struggle for becoming masters in their own house, ask whether shipping or insurance would fall within the category of industries to be protected. They declare that they are much perturbed at the attitude of Indians even with regard to main industries. They ask that key industries should be defined. I do not propose to enter into any discussion with regard merely to the opinions expressed on either side. I only wish to draw attention, as briefly as possible, to legislative and other action taken in Western countries, and especially by Great Britain for the protection of interests of nationals.

It was somewhat surprising that no reference can be found either in the discussions in the committee or in the full sessions of the Conference to an important International Conference that was held in Paris only a few months before the Round Table Conference met in London on the treatment of foreigners. Though the Conference desired further enquiry, Committee A of the Conference in the draft convention which it submitted to the Conference clearly recognised the right of every state to restrict, regulate and even prohibit the entry of non-nationals into certain branches of the economic life of the nation. (Article 7).

Among the trades, professions, occupations and industries so specified were included state-owned or regulated monopolies, state undertakings, fishing in territorial and inland waters, the coasting trade, exploitation of minerals and hydraulic power, industries forming the subject of concessions, manufacture of arms and ammunitions of war and insurance. It is to be noted that this last 'Insurance' was added on the express motion of the British Delegation to that Conference. I will not deal further with insurance, as my friend Professor Davar, has already treated that subject exhaustively in his speech at the Shareholders' Association Meeting. It may also be pointed out that in the Protocol, on Article 7, the Indian Delegation expressly stipulated that "it should be understood that foreign industries could be subjected to conditions calculated to encourage the development of national industry". As a matter of fact, even the Trade Barriers Committee, appointed by the International Chamber of Commerce, to formulate measures for the equalising of the rights of foreigners with those of nationals had to admit in their final Report, submitted to the International Economic Conference (1927) the existence of certain trades, industries and professions which could be justifiably reserved to nationals, (Clause 6, Section 2). And these industries were enumerated in Article 5 of the draft

convention submitted by them for international adoption. It is clear from the above that International opinion admits the justification of reservation to nationals alone of certain industries, professions and trades.

A study of the proceedings of the International Conference, and of the documents presented to the Economic Committee will show that Sweden, Portugal and Denmark restrict the shipping industry to nationals. So does Czechoslovakia. The United States of America reserves its coasting trade to nationals, excluding foreign-owned and foreign built ships from coastwise and intercoastal trade. The Merchant Marine Act of 1920 contains provision for the levy of discriminating duties on imports carried in foreign vessels. Restriction on loan companies, and banking and insurance business also exist in several countries, such as Belgium, Lativia, Venezuela and Estonia. Brazil nationalised all mineral deposits. Chile has passed restrictive legislation, and so had Roumania.

In 1917, the Mexican Government enacted a law which enabled only Mexicans by birth or naturalisation to acquire ownership of lands, water and other appurtenances or to obtain concessions to develop mines, and waters or mineral fuel. Foreigners could only be given a grant at the option of Government provided they agree to be considered as Mexicans in respect of such properties not invoking the protection of their governments in respect to the same.

The system of discriminatory taxes is also employed in several countries. For instance, the French Government imposed an additional tax of 18 per cent. on profits of American Companies.

In France during the fall of the France in 1926 foreign control was guarded against by a system of plural voting, which plan has been followed by many French Companies. Other

countries adopting this type of discrimination in the voting strength are Italy, Switzerland and Germany. To comply with the Swedish law the Swedish Match Company in issuing shares in London and other international centres limited the voting rights to one thousandth of a vote per share held by foreigners against a vote per each Swedish owned share.

The action by Great Britain herself is even more drastic against foreigners as regards discrimination. The British General Electric Company denied altogether voting rights to Americans who held more than 60 per cent. of the stock. The Company further excluded these majority stock-holders completely from participation in a new stock issue limiting it to Britain only. Not only that, but, while the old stock was selling @ 14 dollars, the new stock was offered at 10 dollars, and a resolution was passed, in spite of the protest of the American majority. It is true that there was a great protest in the press and from the banks in England and the prohibition against participation in the new issue was removed, but the Chairman, Sir Hugo Hirst, said in the General Meeting that the numerous examples for which action has been taken to secure British Control, be it in the Rubber industry, Railways, Cable or Motor-car industries, convinced him that the stand he had taken was right.

The Burma Corporation deprived foreign shareholders of all voting rights in regard to mining leases in Burma. Americans regard the British Government's policy in India and Burma as "one of entire exclusiveness." The Standard Oil Company was not even allowed to purchase a warehouse in Burma.

British Companies restrict foreign stock holding to a minority usually not more than 20 or 25 per cent; in other ways also foreign control is restricted by companies such as Imperial Chemical Industries, Rolls Royce, Imperial Airways, Buenos Aires Great Southern Railway, and Western Railway, Merconi

International Marine Communication and also in regard to rubber and oil industries. In regard to the oil industry foreigners and foreign nationals are debarred from owning or operating oil producing properties in the British Isles, Colonies and Protectorates. The transfer of shares in British oil companies to other than British subjects or nationals is prohibited. The Cable and Radio Merger provides that not more than 25 per cent in all of the shares of any class in the capital of the company at any time outstanding are at any time to be held by or in trust in any way under the control of foreigners and/or foreign corporations and/or corporations under foreign control.

It will suffice to end with a quotation from Sir Robert Horne, who was Chancellor of the Exchequer and President of the Board of Trade. At the General Meeting of the National Smelting Company, two years ago, he said, "The memorandum of Association of the New Company will provide that no foreigner or person under foreign influence or control shall have a vote in the Company's affairs; these provisions being in the memorandum of the Company will be unalterable. Further the Articles will contain a stipulation that all Directors must be British born". Speaking of the objects of the Company he said, "These are very wide, covering as they do, *inter alia*; the carrying on, or development of, an investment in mining, smelting and refining of zinc, lead, copper and other metals, particularly within the British Empire, engaging in the business of producers and distributors of acids, chemicals, fertilizers, etc. I have mentioned only some of the most important objectives of the Co.

What is evidently sauce for the goose is not sauce for the gander. With this record of the attitude of many countries and their own not inconspicuous part in protecting and fostering their own industries by every means including discrimination, it will, I submit, be very difficult for the British to con-

vince our delegates at the Round Table Conference that their insistence on limiting the rights of this country, whom they profess to want to put on the same level as other Dominions is a safeguard—demonstrably in the interests of this country.

All the steps taken by the British, some of which are described by British Journals themselves as confiscatory, have been taken, it must be remembered, against powerful antagonists who were in a position to hit back, and yet the Carrs and the Inchcapes would deny the same weapon to a poor country like India. They still rattle the sabre, and insist that provision must be made in the constitution not only to secure British interests but also the means which would permit legislative intentions being rendered ineffective. Sir Hubert Carr is nothing if he is not brutally frank. He admits that the British hold a position of commercial superiority which greatly hampers, if it did not indeed prohibit, Indian Merchants taking a leading place in relation to industry, and that the commercial position of Britain in India was intensely irritating to the politician. I might say that it is still more irritating to the Indian merchant who feels that under the present system in his own country non-Indians have enjoyed, and are enjoying, unfair advantages, and yet Sir Hubert Carr and his coterie expect that not only would this country gladly accept loss of legitimate business and profits, but that she will swallow the degradation of India's status by agreeing beforehand to restrict her own powers, powers which are enjoyed and exercised in daily administration by other Dominions. The talk of sympathy for India's aspirations towards Dominions Status in such circumstances appears, to call it by no harsher terms, purely lip-sympathy. If, as I have said, powerful countries have felt the necessity to exercise discrimination against equally powerful countries, still more is it necessary for a poor and weak country like India to have no obstacle put upon its discretion to use that power. This is not to say that India will

thoughtlessly apply restrictions, for being an exporting country she has a great deal to fear from retaliation, and the history of the action taken by the various countries show that they carefully balanced the benefits after giving full weight to the capacity of the opponent to hit back. After all trade can only flourish in an atmosphere of goodwill, and in order that negotiations can take place on any question on an equitable basis it is essential that these negotiations should be amongst parties with equal powers. Otherwise as Mahatma Gandhi has pointed out, "What is the equality of rights between the giant and the dwarf? To talk of no discrimination between India's interests and English or European interests is to perpetuate helotage."

Finally, I wish to refer to the agrarian and currency situation, which I regard as of utmost importance and which, I confess, causes me grave anxiety.

I have said that in the year 1920 £ 55 millions of our gold was squandered in reverse councils to prop up an unsustainable ratio. The Statist has pointed out that in many respects the present difficulties are similar to those of 1920. During the last financial year Government were obliged to sell Reverse Councils to the extent of almost six million pounds and another three million pounds during the last four months. During the same period an additional nine million sterling has been transferred from the Gold Standard Reserve to the Home Treasury. The dissipation of our gold resources in this way cannot be looked upon with equanimity. It will militate against the establishment of a Reserve Bank, which is made to depend upon a sufficiency of gold resources, thus delaying the advent of financial Swaraj. But there is another, a greater danger. If there is no sufficient backing to our currency, if the tightness of the money market is maintained owing to heavy contractions, there is every reason to fear a

catastrophe, especially if the present extremely low prices of commodities continue. As Chairman of the Provincial Co-operative Bank I had occasion this year to draw attention to the extremely perilous condition of the agriculturists. The Co-operative Movement claims to be in direct touch with the agriculturists, and from all sides we hear that Sawcars are not now prepared to lend except on specific mortgage, and that cultivators have been forced to part with the silver and gold ornaments of their womenfolk, which phenomenon is very unusual and alarming. Instead of India being in a position to import the precious metals, she is under the painful necessity of exporting gold. The recently published report of the Controller of the Currency draws attention to the noticeable feature in the closing months of the year of a considerable return of gold from up-country districts to Bombay. This inflow which commenced in March has been variously estimated from 5 to 6 thousand tolas of fine gold a day. This must represent to a considerable extent gold taken out of hoards or removed from the persons of womenfolk, since bullion dealers were not able to dispose of their stock of gold and were forced to realise their stock by tender to the Mint. This movement which began on the 7th of March 1931, accounted in little more than three weeks for not less than 972,216 tolas of gold that have been received by the Mint. In view of this heavy inflow, while sterling exchange remained at or just above the gold export point, the price of gold in Bombay was at or below the Government statutory buying rate. Whatever savings the cultivators were able to invest in silver have been diminished approximately to half and it would be no wonder if in these circumstances there was fertile ground for the seeds of discontent and disorder to ripen.

Mr. Wedgwood Benn, the Secretary of State for India, has his finger correctly on the pulse, when he stated in the House of Commons that ' there is not the same fear today of an out-

break of civil disobedience as of rural disorder'. I have referred above to the mutual repercussions of political and economic distress and to the necessity of an international outlook. One-fifth of the population of the world cannot be regarded as an isolated unit, and, if their conditions do not improve, there must be a set-back to the whole world. The yearning of this whole country and of all parties for managing their own affairs cannot be mistaken, and cannot be satisfied with less than the real substance. The Round Table Conference has upon it a grave responsibility, and its deliberations will be watched not only by the Indian and the British people, but it will excite the daily interest of the public opinion of the world; for, on a wise solution depends not only the improvement in trade so anxiously looked for by the whole world but also the peace and security in India.

Speech of Mr. Behram N. Karanjia, Vice-President of the Indian Merchants' Chamber, Bombay, at the Second Quarterly General Meeting of the Chamber held on Saturday, the 25th July, 1931.

MR. PRESIDENT AND GENTLEMEN,

The principal questions in which the Chamber and the commercial community are interested have been dealt with by Sir Chunilal V. Mehta in his Presidential speech. I should like, therefore, to deal with those questions which, though not of primary importance, are deemed useful and play an important part in the life of the business community.

The atmosphere is at present full of commercial and industrial depression. Economic depression is both a physical and psychological phenomenon, as it is a well-known fact how, when there is depression in a country, it is fed and fostered by pessimistic sentiments and feelings, and even the confirmed

optimist cannot then perceive any silver lining around the clouds. Different countries have got different methods of tackling with this sort of economic crisis, though there are certain measures which are thought of practically by all the countries. One particular measure in which we differ from a good many countries of the world is the increase by the public utility services of their rates and charges. The railway systems in Europe have decreased their rates and fares, and even the buss and tube systems of England have considered as to how to regulate their rates and fares to suit the present depressed conditions of trade and industries.

These public utility service companies here are unfortunately not governed by sane and sober business ideas, nor by that feeling for the people and the country, which are the guiding ideals for the public utility concerns in self-governing countries. The policy here of the railway companies is dictated still, more or less, by bureaucratic ideals, and public sentiments and feelings are very little taken into account, if at all. Thus you must have observed the curious phenomenon that, with every drop in the economic barometer, railways have raised their fares and rates in some form or other. Long distance fares have been increased; Bombay suburban season-ticket rates have been increased, in some cases even by 46 per cent.; concessions, like coupon tickets and others, have been abolished; rates for goods traffic and luggage have been increased; in short, they have done everything they can within the bounds of law to add to the already heavy burden on the shoulders of the poor and middle class people, as well as on trade and industries. The railway systems have also adopted the policy of reckless retrenchment causing a heavy and unbearable suffering to their employees, and have not shown much inclination towards a rational compromise, as is seen from their negotiations with the Railwaymen's Federation, of which, our friend, Mr. Jamnadas Mehta, is the President.

The Indian Postal Department, as if not to lag behind the railway department, in the matter of adopting curious and antediluvian measures for meeting the economic crisis, has been increasing rates for parcels, for insurances, etc. The local Electric and Tramway Co. and the local Telephone Co. have not yet increased their rates. Such a *status quo*, however, is not sufficient for the present purpose. These public utility concerns should, both in their own interest and in the interest of the public at large, and especially in the interest of the commercial community, which is their biggest patron, reduce their charges for the services they are rendering. Increases made by the railways and even by the postal department, and the continuance of their old rates by the Tramway Electric Co. and the Telephone Co. have served not to relieve the distress caused by the economic depression, but to add to it and make it press heavily on the public, which is already suffering through the loss of trade and industry and a wide spread unemployment.

I fear that some of the measures, which are being taken by the Government of Bombay for retrenchment, are also of an analogous nature with the measures being taken by the railways and the postal department to meet the economic crisis. One instance of this is the retrenchment which has been effected with regard to hospitals. A large number of beds has been discontinued and several wards have been closed. Even the tuberculosis ward in the Cama Hospital has gone under the axe. If there was one thing, which was evidenced by the information collated in the regime of Sir Leslie Wilson, it was that Bombay had not got sufficient hospital accommodation to cope with the wants and requirements of such a large population of different castes and creeds. It is surely a tragedy that, within a short time of such big hospital schemes and projects having been floated, an axe should have been put to essential medical services, like hospital beds, hospital wards and even medicines and

patients' diet. I wonder that, before this axe was thought of, Ministers and Members of the Executive Council of the Government of Bombay did not choose to make a voluntary sacrifice of a portion of their large salaries, as has been done by some of the Ministers and Members of other Provinces. If an axe has to fall, it must first fall on those who can bear its blow; and it must fall only at the last unavoidable stage on essential services, like hospitals or education. Instead of that, the Government of Bombay have apparently reversed the process, and, before they have begun axing the salaries of their highly paid staff and retrenching some of their departments, they have begun retrenching with regard to medical aid and education.

Unemployment is at present rife in almost all the countries, but the Governments there are taking measures to relieve, or at least to mitigate, the distress caused by it. The Government of India, as well as the Provincial Governments, however, have shown an utter bankruptcy of statesmanship, as they have neither adopted nor considered nor contemplated any measure to redress the evil arising from unemployment.

The Report of the Royal Commission on Labour, while it mentions that the responsibility for relieving unemployment has long been recognised in India, has to admit that the system of unemployment-relief evolved has been solely with reference to the rural population, which means that there is no scheme for unemployment relief for industrial areas. The Report has also drawn attention to the fact that the increase in migration from the rural to the urban and industrial areas in the hope of finding employment is not a little responsible for the beginning of an unemployment problem in the latter places, and that this factor exerts considerable influence in depressing the general standard of living. When the recommendations of the Labour

Commission are going to be implemented—and Mr. Benn has assured that they would be implemented soon—the problem of unemployment should be taken up at an early stage.

It is interesting to note that the Government of India, in their Report submitted to the International Labour Conference, under Section 408, with regard to the convention regarding unemployment, state that an enquiry was made during 1928 from local Governments as to whether recent industrial developments in India had not been such as to modify to any extent the situation which had previously led the Government of India to decide in the negative the question of employment agencies. The Report states further that the replies have now been received and are under the consideration of the Government of India. These replies must have been before the Royal Commission on Labour, and it may be hoped that when government proceed to take action on the Report of the Labour Commission we shall come to know the nature of the replies and also that Government will fall in line with the other countries in having regular employment agencies.

As the President has already dealt with the political questions I need not dilate on them. I must, however, mention the communal trouble and tension of which unfortunately we have not seen the end as yet. The Hindu Muslim question is still unsolved, and the communal fracas and riots taking place in different parts of the country are a grim index to the disease in the body politic. They dislocate trade and industrial conditions, and create that general atmosphere of uncertainty and indecision which is so very inimical to trade and industries. It is true that India has been a component unit of the world and is suffering with the rest of the world from the universal economic depression. But it cannot be denied that our political and communal situations accentuate the depression and make a restoration of normal conditions so very difficult, if not impossible. I would not venture to rush in where Angels fear

to tread, by suggesting any expedients or measures for a solution of the communal impasse. All that I want to do is to express a hope that before our Delegates to the Round Table Conference sail for England, or at least before they land on English shores they will be able to find out a solution which will be satisfactory to both the major communities concerned.

It is but a truism now-a-days to say that the currency and exchange policy of the Government has contributed, to no small extent, to the present economic depression. It is a matter of the deepest regret that, while Government have seen the evil results of their policy, they have not yet thought fit to make any change in their policy, but are continuing it, thus adding to the depression and the burden we have all to bear. Take for instance, the issue of the Treasury Bills. These short time borrowings at a high rate of interest are now amounting to Rs. 84 crores, and have denuded the market of all its available funds for trade and industries. It is but one more sign of the times that even in the month of July, the Imperial Bank rate continues at 6 per cent. Besides the large funds involved in these Treasury Bills, a good deal of capital has flown away to foreign countries, either because of political uncertainties or for speculative purposes. It is high time that Government should think of taking the commercial community into their confidence, and be guided by their advice and suggestions regarding their financial policy.

The President has referred to the distress which has befallen the agricultural districts in the shape of a heavy fall in prices. The abnormally low prices of this year are, of course a record. But the agriculturists, generally through their poverty, have not been able to hold on their stocks, and are literally compelled to sell off even sometimes their crop before they are ripe for the market. A solution, to my mind, may lie in having some mechanism, like elevators which can take up and store agricultural products, specially wheat etc. The

receipts of these elevators being negotiable will be a useful and serviceable factor in enabling agriculturists to hold their stocks, as also to regulate the movement of the crops according to the conditions of the market.

Before I conclude, I would like to associate myself with the President in his condemnation of the regrettable attempt at murdering His Excellency the Governor at Poona. I cannot do better than quote the words of Mahatma Gandhi:—"I believe in unadulterated non-violence. I do not believe in the possibility of India (whatever other countries might have attained) attaining Swaraj in terms of the millions by violent means.

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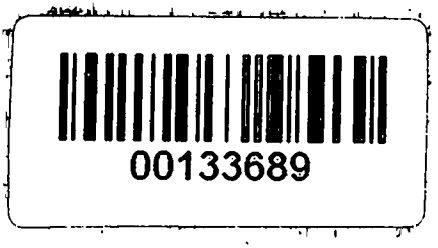
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